**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**



**FORM 8-K**



**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE**

**SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported) September 29, 2022**



**BASSETT FURNITURE INDUSTRIES, INCORPORATED**

**(Exact name of registrant as specified in its charter)**



**Virginia**

**(State or other jurisdiction of**

**incorporation or organization)**

**000-00209**

**(Commission File No.)**

**54-0135270**

**(I.R.S. Employer**

**Identification No.)**

**3525 Fairystone Park Highway**

**Bassett, Virginia**

**(Address of principal executive**

**offices)**

**24055**

**(Zip Code)**

**Registrant**’**s telephone number, including area code (276) 629-6000**

**(Former name or former address, if changed since last report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

* Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
* Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
* Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
* Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)) Securities registered pursuant to Section 12(b) of the Act:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Title of each class |  | Trading Symbol |  | Name of exchange on which registered |
| Common Stock ($5.00 par value) |  | BSET |  | NASDAQ |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐



**Item 2.02. Results of Operations and Financial Condition.**

On September 29, 2022, Bassett Furniture Industries issued a news release relating to the third quarter financial results for the fiscal year ending November 26, 2022. A copy of the news release announcing this information is attached to this report as Exhibit 99.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

99.1 News Release issued by Bassett Furniture Industries, Inc. on September 29, 2022.

104 Cover Page Interactive Data File (embedded within the inline XBRL document).



Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

|  |  |  |
| --- | --- | --- |
|  | BASSETT FURNITURE INDUSTRIES, INCORPORATED | |
| Date: September 29, 2022 | By: /s/ J. Michael Daniel |  |
|  | J. Michael Daniel | |
|  | Title: Senior Vice President – Chief Financial Officer | |

**Exhibit 99.1**



Bassett Furniture Industries, Inc.

P.O. Box 626

Bassett, VA 24055

**J. Michael Daniel**

**Senior Vice President and**

**Chief Financial Officer**

(276) 629-6614 – Investors

mdaniel@bassettfurniture.com

For Immediate Release

**Peter D. Morrison**

**Vice President of Communications**

(276) 629-6450 – Media

Bassett Furniture News Release

**Bassett Announces Fiscal Third Quarter Results**



(Bassett, Va.) – September 29, 2022 – Bassett Furniture Industries, Inc. (Nasdaq: BSET) announced today its results of operations for its third quarter ended August 27, 2022.

*Fiscal 2022 Third Quarter Highlights of Continuing Operations*

*(Dollars in millions)*

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **Sales** | | |  |  |  |  |  | **Operating Income** | | | |  |  |
|  |  | **3rd Qtr** | |  |  |  | **Dollar** | **%** |  |  | **3rd Qtr** | **% of** | |  | **3rd Qtr** | **% of** |  |
|  |  | **2022** |  | **2021** |  |  | **Change** | **Change** |  |  | **2022** | **Sales** |  |  | **2021** | **Sales** |  |
| Consolidated (1) | $ | 118.0 | $ | 104.9 | | $ | 13.1 | 12.5% | | $ | 10.7 | 9.2% | | $ | 5.0 | 4.8% | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Wholesale | $ | 79.0 | $ | 73.1 | | $ | 5.9 | 8.3% | | $ | 1.6 | 2.0% | | $ | 4.5 | 6.2% | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Retail | $ | 70.9 | $ | 58.6 | | $ | 12.3 | 21.0% | | $ | 4.5 | 6.3% | | $ | 0.9 | 1.5% | |

1. Our consolidated results include certain intercompany eliminations as well as a gain on the sale of real estate in Q3 2022 which is not included in our segment results. See Table 4, “Segment Information” below for an illustration of the effects of these items on our consolidated sales and operating income.

Consolidated revenue for our third quarter of 2022 came in at $118.0 million, a 12.5% increase compared to last year. Operating profit of $6.1 million improved by 22.1%, excluding the $4.6 million gain from the sale of our Southwest Freeway store in Houston, which brought the all-in income from operations to $10.7 million. Earnings per share of $0.82 was well ahead of $0.31 per share in 2021. We aggressively pursued our customer acquisition strategies while formulating business plans that take the uncertain business environment that clouds the outlook for 2023 into account. Nonetheless, we trust that the collective strength provided by our domestic manufacturing platform, international sourcing partnerships, dedicated distribution network, best in class logistics system, and burgeoning digital capabilities portend continued success for Bassett despite the challenges that currently exist for the U.S. economy.



Shipments from our wholesale segment grew by 8.1% with upholstery operations posting a 12.5% sales increase while wood operations grew a modest 1.3%. Said another way, shipments of domestically produced merchandise grew by 18.1% while imported product shipments declined by 15.7%. Significant for the period was the resurgent performance of our Newton, NC upholstery complex where combined shipments grew by 21.5% and divisional profitability returned to pre-covid levels. We are now producing goods with material costs that are fully reflected in the price for which they are invoiced as the rampant price increases that we have absorbed over the past two years have subsided. Further, we are excited by the early retail success of the new “Modern Casual” product range that hit stores in time for Labor Day, which we are counting on to help keep our production schedules on track moving forward. Fabric outages have improved significantly from the depths of the pandemic related chaos of 2021 and our lead times have markedly improved in the past few months. Shipments of our outdoor seating product continued its sizzling growth – this time at a rate of 30.3%. Amidst these strong performances is the problematic situation that we face with our imported Club Level product range. Recall that Club Level sales exploded in 2021 and that our inventory levels last year were such that we were out servicing our competition and enjoying robust shipments. Accordingly, we responded by ordering replenishment inventory at record levels into the teeth of the unprecedented ocean freight rate spiral. As sales of the product slowed at the beginning of April, incoming shipments, often months late due to Asian production delays, began to swell our inventory levels. Consequently, we have been aggressively discounting certain portions of our Club Level line and have suffered significant margin hits in so doing for the past four months. We expect this dynamic to persist for the next six months as we align inventory levels with current rates of sale. In the end, however, we remain committed to the long-term viability of the Club Level product line and value the open market account business that it will continue to provide. Also affecting our overall wholesale margins are the marketing spending levels that we have chosen to employ and, to a lesser extent, miscellaneous expenditures including the LIFO charges that have accompanied the inventory build that has characterized the twenty-one months since the end of covid dominated fiscal 2020. Overall inventory of $91.7 million at the end of the August quarter actually decreased for the first time since the pandemic build and should have peaked for the Bassett footprint for the foreseeable future. Returning our wholesale margins to their historical levels is an important element of successfully moving into 2023, although we do plan to continue our aggressive marketing spending as long as we can see corresponding upticks in business as a result.

Our corporate retail group extended their strong run of positive operating results, this time producing their “best ever” third quarter with $70.9 million of deliveries while providing $4.5 million of operating income to the cause. For the nine months, corporate retail revenue of $210.6 million represents an increase of 16.1% over 2021 and the $15.8 million of operating profit brought forth exceeds any full year bottom line performance to date. Delivered gross margins of 51.8% remained near our target range despite the headwinds that four store closings presented. Due to construction related supply chain issues, the opening of one of the contemplated replacement stores – this one in Dallas, was delayed from the original late August date until the new date in early November. In conjunction with the Dallas opening, we are remodeling two other Metroplex stores – Southlake and Frisco. There we are testing a “take with” strategy for certain accessory items and have designed a supporting fixturing package for all three Dallas area stores. Looking ahead to next year, we will incorporate these elements into the Austin, TX remodel project as well as into new stores that will open in Tampa, FL and in Houston. We are also considering another Florida location as well. In April, we opened a Regional Fulfillment Center (“RFC”) in Orlando to provide our stores and other customers with the ability to offer a two-week in-home delivery option to add a new selling opportunity to our incumbent design focused custom-made furniture business. We are excited to see the initial benefit of the quick ship capability and have subsequently opened another RFC in the Baltimore area to service the mid-Atlantic stores.



To begin our fourth quarter, on September 6th, we announced the acquisition of Montreal- based online furniture retailer, Noa Home Inc. Founded in 2016, Noa sells furniture, mattresses and accessory items online in four markets – Australia, Singapore, the UK, and Canada. Net revenue for their most current fiscal year was C$19.1 million. We have been enthusiastically collaborating with the Noa team over the past few months to identify and implement the synergies that do exist today and can be capitalized upon in the future between our two organizations. First on the list is to provide the capital to improve their in-stock positioning on their best-selling items. Next is to enter a 3PL warehouse in western Canada to open up the entire country for Noa distribution as they have heretofore only serviced Ontario and Quebec. We are simultaneously developing Bassett made upholstery products that can complement their existing best seller lineup and have entered initial production orders to ship to Noa warehouses. Once we make sure that we have begun to maximize the opportunity in their existing markets, we will start the planning process to introduce the Noa experience to the U.S. market sometime in 2023.

High inflation, rising mortgage rates, and a slowdown in the housing market have certainly taken a toll on the equity values of publicly traded furniture companies this year. We are definitely in the mode of “focusing on what we can control” as there are currently forces at work greater than Bassett in a macro sense. To that end, we invested in a robust marketing program for the recent three-week Labor Day promotion and the results were quite gratifying as our corporate retail stores recorded sales volumes better than both 2020 and 2021, which were, of course, very strong. We do believe that although our customer is being more judicious with their disposable income today than two years ago, their personal balance sheets are strong. So, there will be folks in the marketplace and we have to win them over. Meanwhile, Bassett has the financial strength to weather a downturn and an integrated strategy designed to provide multiple paths for growth in the future.

Robert H. Spilman, Jr., Chairman and CEO

About Bassett Furniture Industries, Inc.

Bassett Furniture Industries, Inc. (NASDAQ:BSET), is a leading manufacturer and marketer of high quality home furnishings. With 92 company- and licensee-owned stores at the time of this release, Bassett has leveraged its strong brand name in furniture into a network of corporate and licensed stores that focus on providing consumers with a friendly environment for buying furniture and accessories. Bassett’s retail strategy includes stylish, custom-built furniture that features the latest on-trend furniture styles, free in-home design visits, and coordinated decorating accessories. Bassett also has a traditional wholesale business with more than 700 accounts on the open market, across the United States and internationally and a logistics business specializing in home furnishings. For more information, visit the Company’s website at bassettfurniture.com. (BSET-E)



**Certain of the statements in this release, particularly those preceded by, followed by or including the words** “**believes,**” “**plans,**” “**expects,**”“**anticipates,**” “**intends,**” “**should,**” “**estimates,**” **or similar expressions, or those relating to or anticipating financial results or changes in operations** **for periods beyond the end of the third fiscal 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 (including, without limitation, the effects on revenue, supply and demand resulting from the duration and extent of the COVID-19 pandemic) and future events on the retail demand for home furnishings and the ability of Bassett**’**s customers and consumers to obtain credit; the success of marketing, logistics, retail and other initiatives; 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.**

**###**



**Table 1**

BASSETT FURNITURE INDUSTRIES, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Income - unaudited

(In thousands, except for per share data)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | Quarter Ended | | | | |  |  |  |  |  | Nine Months Ended | | | |  |  |  |  |
|  |  | August 27, 2022 | | | |  | August 28, 2021 | | |  |  | August 27, 2022 | | | |  | August 28, 2021 | | |  |  |
|  |  |  |  | Percent of |  |  |  |  | Percent of |  |  |  |  | Percent of |  |  |  |  | Percent of |  |  |
|  |  | Amount | | Net Sales | |  | Amount | | Net Sales | |  | Amount |  | Net Sales | |  | Amount |  | Net Sales | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net sales of furniture and accessories | $ | 118,012 |  | 100.0% | | $ | 104,870 | | 100.0% | | $ | 364,582 |  | 100.0% | | $ | 316,522 |  | 100.0% | |  |
| Cost of furniture and accessories sold |  | 57,240 |  | 48.5% | |  | 52,263 | | 49.8% | |  | 180,479 |  | 49.5% | |  | 153,426 |  | 48.5% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gross profit |  | 60,772 |  | 51.5% | |  | 52,607 | | 50.2% | |  | 184,103 |  | 50.5% | |  | 163,096 |  | 51.5% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Selling, general and administrative |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| expenses |  | 54,695 |  | 46.3% | |  | 47,631 | | 45.4% | |  | 160,536 |  | 44.0% | |  | 145,473 |  | 46.0% | |  |
| Gain on sale of retail real estate |  | 4,595 |  | 3.9% | |  | - | | 0.0% | |  | 4,595 |  | 1.3% | |  | - |  | 0.0% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income from operations |  | 10,672 |  | 9.0% | |  | 4,976 | | 4.7% | |  | 28,162 |  | 7.7% | |  | 17,623 |  | 5.6% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other income (loss), net |  | ) | | -0.5% | |  | ) | | -0.3% | |  | (1,850 | ) | -0.5% | |  | (828 | ) | -0.3% | |  |
|  | (594 |  |  | (268 | |  |  |  |  |  |
| Income from continuing operations before |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| income taxes |  | 10,078 |  | 8.5% | |  | 4,708 | | 4.5% | |  | 26,312 |  | 7.2% | |  | 16,795 |  | 5.3% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income tax expense |  | 2,305 |  | 2.0% | |  | 1,267 | | 1.2% | |  | 6,505 |  | 1.8% | |  | 4,579 |  | 1.4% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income from continuing operations |  | 7,773 |  | 6.6% | |  | 3,441 | | 3.3% | |  | 19,807 |  | 5.4% | |  | 12,216 |  | 3.9% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Discontinued operations: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income from operations of logistical |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| services |  | - |  |  |  |  | (565) | |  |  |  | 1,712 |  |  |  |  | 1,079 |  |  |  |  |
| Gain on disposal |  | (193) | |  |  |  | - | |  |  |  | 53,061 |  |  |  |  | - |  |  |  |  |
| Income tax expense |  | (48) | |  |  |  | (140) | |  |  |  | 14,261 |  |  |  |  | 294 |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income (loss) from discontinued |  | (145) | |  |  |  | (425) | |  |  |  | 40,512 |  |  |  |  | 785 |  |  |  |  |
| operations |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income | $ | 7,628 |  |  |  | $ | 3,016 | |  |  | $ | 60,319 |  |  |  | $ | 13,001 |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic earnings per share: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income from continuing operations | $ | 0.84 |  |  |  | $ | 0.35 | |  |  | $ | 2.08 |  |  |  | $ | 1.24 |  |  |  |  |
| Income (loss) from discontinued |  | (0.02) | |  |  |  | (0.04) | |  |  |  | 4.26 |  |  |  |  | 0.08 |  |  |  |  |
| operations |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic earnings per share | $ | 0.82 |  |  |  | $ | 0.31 | |  |  | $ | 6.34 |  |  |  | $ | 1.32 |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Diluted earnings per share: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income from continuing operations | $ | 0.84 |  |  |  | $ | 0.35 | |  |  | $ | 2.08 |  |  |  | $ | 1.24 |  |  |  |  |
| Income (loss) from discontinued |  | (0.02) | |  |  |  | (0.04) | |  |  |  | 4.26 |  |  |  |  | 0.08 |  |  |  |  |
| operations |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Diluted earnings per share | $ | 0.82 |  |  |  | $ | 0.31 | |  |  | $ | 6.34 |  |  |  | $ | 1.32 |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**Table 2**

BASSETT FURNITURE INDUSTRIES, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(In thousands)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | (Unaudited) | |  |  |  |  |
|  |  |  |  | August 27, 2022 | |  | November 27, 2021 | | |
| **Assets** | | |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| **Current assets** | | |  |  |  |  |  |  |  |
| Cash and cash equivalents | | | $ | 66,870 | | $ | | 34,374 | |
| Short-term investments | | |  | 17,715 | |  |  | 17,715 | |
| Accounts receivable, net | | |  | 20,950 | |  |  | 20,567 | |
| Inventories, net | | |  | 91,681 | |  |  | 78,004 | |
| Recoverable income taxes | | |  | 5,427 | |  |  | 8,379 | |
| Current assets of discontinued operations held for sale | | |  | - | |  |  | 11,064 | |
| Other current assets | | |  | 11,104 |  |  |  | 10,181 |  |
| Total current assets | | |  | 213,747 | |  |  | 180,284 | |
|  |  |  |  |  |  |  |  |  |  |
| Property and equipment, net | | |  | 75,513 | |  |  | 69,168 | |
|  |  |  |  |  |  |  |  |  |  |
| **Other long-term assets** | | |  |  |  |  |  |  |  |
| Deferred income taxes, net | | |  | 6,045 | |  |  | 3,189 | |
| Goodwill and other intangible assets | | |  | 14,313 | |  |  | 14,354 | |
| Right of use assets under operating leases | | |  | 86,809 | |  |  | 95,955 | |
| Long-term assets of discontinued operations held for sale | | |  | - | |  |  | 52,757 | |
| Other | | |  | 6,260 |  |  |  | 5,953 |  |
| Total long-term assets | | |  | 113,427 |  |  |  | 172,208 |  |
| **Total assets** | | | $ | 402,687 | | $ | | 421,660 | |
|  |  |  |  |  |  |  |  |  |  |
| **Liabilities and Stockholders**’ **Equity** | | |  |  |  |  |  |  |  |
| **Current liabilities** | |  |  |  |  |  |  |  |  |
| Accounts payable | | | $ | 24,189 | | $ | | 23,988 | |
| Accrued compensation and benefits | | |  | 12,809 | |  |  | 12,639 | |
| Customer deposits | | |  | 40,311 | |  |  | 51,492 | |
| Current portion of operating lease obligations | | |  | 19,969 | |  |  | 20,235 | |
| Current liabilities of discontinued operations held for sale | | |  | - | |  |  | 16,095 | |
| Other current liabilities and accrued expenses | | |  | 12,746 |  |  |  | 9,770 |  |
| Total current liabilities | | |  | 110,024 | |  |  | 134,219 | |
|  |  |  |  |  |  |  |  |  |  |
| **Long-term liabilities** | | |  |  |  |  |  |  |  |
| Post employment benefit obligations | | |  | 13,016 | |  |  | 12,968 | |
| Long-term portion of operating lease obligations | | |  | 84,102 | |  |  | 94,845 | |
| Long-term liabilities of discontinued operations held for sale | | |  | - | |  |  | 16,210 | |
| Other long-term liabilities | | |  | 606 |  |  |  | 686 |  |
| Total long-term liabilities | | |  | 97,724 | |  |  | 124,709 | |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| **Stockholders**’ **equity** | | |  |  |  |  |  |  |  |
| Common stock | | |  | 46,064 | |  |  | 48,811 | |
| Retained earnings | | |  | 150,553 | |  |  | 115,631 | |
| Additional paid-in-capital | | |  | - | |  |  | 113 | |
| Accumulated other comprehensive loss | | |  | (1,678) | |  |  | (1,823) | |
| Total stockholders' equity | | |  | 194,939 |  |  |  | 162,732 |  |
| **Total liabilities and stockholders**’ **equity** | | | $ | 402,687 | | $ | | 421,660 | |
|  |  |  |  |  |  |  |  |  |  |

**Table 3**

BASSETT FURNITURE INDUSTRIES, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows - unaudited

(In thousands)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Nine Months Ended | | | | | |
|  |  | August 27, 2022 | |  |  | August 28, 2021 |  |
| **Operating activities:** |  |  |  |  |  |  |  |
| Net income | $ | 60,319 | | $ | | 13,001 | |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: |  |  |  |  |  |  |  |
| Depreciation and amortization |  | 8,732 | |  |  | 10,458 | |
| Gain on disposal of discontinued operations |  | (53,061) | |  |  | - | |
| Gain on sale of property and equipment |  | (4,603) | |  |  | (68) | |
| Deferred income taxes |  | (2,856) | |  |  | 1,053 | |
| Other, net |  | 1,425 | |  |  | 478 | |
| Changes in operating assets and liabilities |  |  |  |  |  |  |  |
| Accounts receivable |  | 57 | |  |  | (4,329) | |
| Inventories |  | (13,677) | |  |  | (18,941) | |
| Other current and long-term assets |  | 2,961 | |  |  | (100) | |
| Right of use assets under operating leases |  | 15,881 | |  |  | 18,857 | |
| Customer deposits |  | (11,181) | |  |  | 11,341 | |
| Accounts payable and other liabilities |  | 1,227 | |  |  | 2,750 | |
| Obligations under operating leases |  | (17,519) | |  |  | (20,823) | |
|  |  |  |  |  |  |  |  |
| **Net cash provided by (used in) operating activities** |  | (12,295) | |  |  | 13,677 | |
|  |  |  |  |  |  |  |  |
| **Investing activities:** |  |  |  |  |  |  |  |
| Purchases of property and equipment |  | (17,266) | |  |  | (7,141) | |
| Proceeds from sale of property and equipment |  | 8,226 | |  |  | 101 | |
| Proceeds from disposal of discontinued operations, net |  | 84,534 | |  |  | - | |
| Other |  | (1,428) | |  |  | (1,173) | |
|  |  |  |  |  |  |  |  |
| **Net cash provided by (used in) investing activities** |  | 74,066 |  |  |  | (8,213) | |
|  |  |  |  |  |  |  |  |
| **Financing activities:** |  |  |  |  |  |  |  |
| Cash dividends |  | (18,734) | |  |  | (6,321) | |
| Proceeds from the exercise of stock options |  | - | |  |  | 42 | |
| Other issuance of common stock |  | 340 | |  |  | 266 | |
| Repurchases of common stock |  | (10,263) | |  |  | (5,566) | |
| Taxes paid related to net share settlement of equity awards |  | - | |  |  | (219) | |
| Repayments of finance lease obligations |  | (618) | |  |  | (854) | |
|  |  |  |  |  |  |  |  |
| **Net cash used in financing activities** |  | (29,275) | |  |  | (12,652) | |
|  |  |  |  |  |  |  |  |
| **Change in cash and cash equivalents** |  | 32,496 |  |  |  | (7,188) | |
| **Cash and cash equivalents - beginning of period** |  | 34,374 | |  |  | 45,799 | |
|  |  |  |  |  |  |  |  |
| **Cash and cash equivalents - end of period** | $ | 66,870 | | $ | | 38,611 | |
|  |  |  |  |  |  |  |  |

**Table 4**

BASSETT FURNITURE INDUSTRIES, INC. AND SUBSIDIARIES

Segment Information - unaudited

(In thousands)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Quarter Ended | | | |  | Nine Months Ended | | | |
|  |  | August 27, |  | August 28, |  |  | August 27, |  | August 28, |  |
|  |  | 2022 |  | 2021 |  |  | 2022 |  | 2021 |  |
| **Sales Revenue** |  |  |  |  |  |  |  |  |  |  |
| Wholesale sales of furniture and accessories | $ | 78,959 | $ | 73,073 | | $ | 249,945 | $ | 219,371 | |
| Less: Sales to retail segment |  | (31,833) |  | (26,779) | |  | (95,976) |  | (84,303) | |
|  |  |  |  |  |  |  |  |  |  |  |
| Wholesale sales to external customers |  | 47,126 |  | 46,294 | |  | 153,969 |  | 135,068 | |
| Retail sales of furniture and accessories |  | 70,886 |  | 58,576 | |  | 210,613 |  | 181,454 | |
| Consolidated net sales of furniture and accessories | $ | 118,012 | $ | 104,870 |  | $ | 364,582 | $ | 316,522 |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| **Operating Income** |  |  |  |  |  |  |  |  |  |  |
| Wholesale | $ | 1,611 | $ | 4,466 |  | $ | 8,430 | $ | 14,622 | |
| Retail |  | 4,529 |  | 917 | |  | 15,754 |  | 3,663 | |
| Inter-company elimination |  | (63) |  | (407) | |  | (617) |  | (662) | |
| Gain on sale of real estate |  | 4,595 |  | - |  |  | 4,595 |  | - |  |
| Consolidated | $ | 10,672 | $ | 4,976 |  | $ | 28,162 | $ | 17,623 | |
|  |  |  |  |  |  |  |  |  |  |  |