

Bassett®

NASDAQ: BSET

bassettfurniture.com

Bassett, Virginia

BSET-24AR-1



Bassett®



ANNUAL REPORT
2024



The Copenhagen Collection



FINANCIAL SUMMARY

Fiscal years ended November

	2024	2023	2022	2021	2020
INCOME STATEMENT DATA					
Net Sales	\$ 329,923	\$ 390,136	\$ 485,601	\$ 430,886	\$ 337,672
Income (Loss) from Operations	(16,269)	(3,135)	34,865	24,257	(17,505)
Adjusted Income From Operations	(8,112)	1,261	30,270	24,257	(2,300)
Net Income (Loss)	(9,695)	(3,171)	65,345	18,042	(10,421)
Adjusted Net Income	(2,877)	1,225	61,945	18,042	831
PER SHARE DATA					
Diluted Income (Loss)	\$ (1.11)	\$ (0.36)	\$ 6.95	\$ 1.83	\$ (1.05)
Adjusted Diluted Income	(0.33)	0.14	6.59	1.83	0.08
Cash Dividends	0.76	0.68	2.10	0.78	0.455
Book Value	19.15	20.92	21.85	16.67	15.89
BALANCE SHEET DATA					
Cash and Cash Equivalents	\$ 39,551	\$ 52,407	\$ 61,625	\$ 34,374	\$ 45,799
Investments	20,360	17,775	17,715	17,715	17,715
Total Assets	342,165	370,424	406,273	421,660	402,548
Long-Term Debt	–	–	–	–	–
Stockholders' Equity	167,327	183,441	195,609	162,732	158,030

To Our Shareholders

The downturn following the Covid boom has persisted longer than most of us in the furniture business imagined, resulting in a second consecutive year of weak demand in 2024. In addition to consumer spending moving away from investments in the home, U.S. existing home sales fell to a 30-year low in 2024.

As a result, most of 2024 at Bassett was an exercise in cost reduction. The major components of our restructuring plan originally announced in July are as follows:

- Rationalization of U.S. wood manufacturing – two locations into one
- Optimization of inventory by dropping unproductive lines
- Reduction in overall cost structure
- Closure of the Noa Home e-commerce business
- Reduction in the number of retail home delivery warehouses

The implementation of these measures has put us on course to return to consistent profitability, as evidenced by our fourth quarter results announced on January 30, 2025. We head into 2025 with an organization consisting of 11% fewer associates than last year. Our remaining domestic wood facility is operating more profitably than we did with two facilities. The Noa Home e-commerce business was losing money and has been closed. From a total of 27 retail home delivery warehouses in mid 2024, we now operate 22 facilities with plans to eliminate three more in the near future. We will continue to challenge the organization to “think small” by operating with a lean mindset that challenges expenses without sacrificing our core growth-driving initiatives.

And that brings us to growth, the elusive element of our story since the glow of the stay-at-home mindset of 2020-2022. Our growth plan is integrated and well defined, centering around the initiatives below:

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Digital Transformation

The multi-year investments that we made in our website and e-commerce platform culminated with the launch of the new *bassettfurniture.com* site back in August of 2023. There have been and will continue to be ongoing improvements to the aesthetics and user experience that we provide on the site. We know from both our Bassett stores and open market customers that we are driving a significant percentage of retail foot traffic to the stores resulting from consumer engagement with *bassettfurniture.com*. We have enjoyed increased e-commerce sales for seven consecutive months but the opportunity to fully realize the potential of our investment lies ahead.

Aggressive Marketing

Toward the end of 2024 we began to focus more aggressively on price points in our marketing campaigns. We are encouraged by the early response to this strategy and we plan to continue to highlight the value proposition of key categories in 2025. We have also re-introduced direct mail with more frequency which again has produced positive year-over-year results. While our custom furniture and in-home design capabilities have transformed our selling concept over the years, the more forceful communication of the relative value that our products offer is an opportunity that we will further pursue.

Store Performance

Total written sales for the 58 store corporately-owned Bassett Home Furnishings network declined by 3% in 2024. New stores in Tampa and Houston came on-line in last year's first quarter. We tentatively plan to open a new market late in 2025 and to remodel two to three stores over the course of the year. The work on the website and these energetic marketing plans are important components of our strategies to drive more retail sales. Our retail organization in 2025 is leaner, more cost competitive, and totally focused on improving sales.

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Dedicated Distribution Strategy

The combination of revenue generated from both our corporate and licensed retail stores plus our Bassett Design Centers and Bassett Custom Studios represented 83% of total shipments of the Bassett brand in 2024. We refer to these four concepts as our “dedicated distribution.” All of these concepts are anchored by a 1,000-square-foot display of our True Custom Upholstery program that has been the standard bearer for our entire custom furniture offerings for the past 25 years. In the case of our new retail concept, the Bassett Custom Studio, there is no other floor space requirement apart from the 1,000 square feet of True Custom. While the capital required to open a new store is a measured decision in today’s challenging sales environment, the financial commitment associated with opening a new Bassett Custom Studio is negligible. The benefit for the prospective dealer is tangible as the proven sales performance of the True Custom program more than justifies the investment in floor samples (with no backup inventory) while offering a vast range of options to satisfy the consumer. From a standing start last spring we opened 40 Bassett Custom Studios through November. And, as anticipated, the sell-through of the True Custom product combined with the high level of service provided by our local sales representatives have convinced several dealers to expand beyond the initial 1000 square feet.

Product

New product innovation remains the hallmark of a successful furniture operation. Specifically targeted to embellish the performance of our four dedicated distribution concepts, the introduction of 50+ leathers to True Custom in 2024 added 20% to the sales of the program. Bassett was named “Best Custom Upholstery Company” in 2024 as a result of a reader survey by Furniture Today. It is a recognition of our team’s commitment to design and quality among those that know the

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furniture business best. After moving away from the concept of the “whole home” collection for the past several years, we introduced the Danish Modern inspired Copenhagen Collection this past fall. We have already seen significant retail sales results in the first few weeks of fiscal 2025. Coming soon are two more comprehensive fresh style statements – Andorra and Newberry. All three of these efforts offer bedroom, dining, occasional, and entertainment furniture options that will redefine our retail showrooms.

The past 24 months have been a difficult journey as we have been forced to take drastic actions to align our cost structure with the size of our business. Throughout it all, we continue to believe in the value of the 123 years of Bassett brand equity and in the talent of our associates to bring compelling goods to the public and to market these products through our chosen channels of distribution. We are taking an aggressive stance in emphasizing the value that our products bring to the marketplace. Although we are by no means seeing a dramatic uptick in sales as yet, we have been encouraged by the positive results we achieved in our year end promotions. With these factors in mind, we enter 2025 with a heightened sense of optimism.

Rob Spilman

INVESTOR INFORMATION

Internet Site

Our site on the Internet has been updated recently and is filled with information about Bassett Furniture, including this annual report, detailed financial information and updates, information about our home furnishings products, and a dealer locator of Bassett stores and other stores that feature Bassett products. Visit us at bassettfurniture.com.

Forward Looking Statements

This Annual Report contains forward-looking statements as defined in the Private Securities Litigation and Reform Act of 1995 and within the meaning of Sections 27A of the Securities Exchange Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this Annual Report the words “hope,” “believe,” “expect,” “plan” or “planned,” “intend,” “anticipate,” “potential” and similar expressions are intended to identify forward-looking statements. Readers are cautioned against placing undue reliance on these statements. Such statements, including but not limited to those regarding increases in sales, improving gross margins, growth in earnings per share, and the operating performance of licensed Bassett stores are based upon management’s beliefs, as well as assumptions made by and information currently available to management, and involve various risks and uncertainties, certain of which are beyond the Company’s control. The Company’s actual results could differ materially from those expressed in any forward-looking statement made by or on behalf of the Company.

If the Company does not attain its goals, its business and results of operations might be adversely affected. For a discussion of factors that may impair the Company’s ability to achieve its goals, please see the cautionary statements in the Management’s Discussion and Analysis section of this Annual Report.

Corporate Information and Investor Inquiries

Our annual report and proxy statement together contain much of the information presented in the Form 10-K report filed with the Securities and Exchange Commission. Individuals who wish to receive the Form 10-K or other corporate literature should visit our website at bassettfurniture.com or contact Investor Relations, at 276.629.6000.

Transfer Agent - Stockholder Inquiries

Stockholders with inquiries relating to stockholder records, stock transfers, change of ownership, change of address or dividend payments should write to:

Equiniti Trust Company, LLC (“EQ”) EQ Shareholder Services Call Center
48 Wall Street, Floor 23
New York, NY 10005
Toll Free: 800.937.5449
Local & International: 718-921-8124
Hours: 8 a.m. – 8 p.m. ET Monday-Friday
Email: helpast@equiniti.com
Website: equiniti.com

Annual Meeting

The Bassett Annual Meeting of Shareholders will be held Wednesday, March 12, 2025 at 10 a.m. EST virtually and is available via live audio only webcast at:
<https://web.lumiconnect.com/201995786> (password: bassett2025)

Market and Dividend Information

Bassett’s common stock trades on the NASDAQ national market system under the symbol “BSET.” We had 6,300 beneficial stockholders as of January 23, 2025. The range of per share amounts for the high and low market prices and dividends declared for the last two fiscal years are listed below:

Quarter	MARKET PRICES OF COMMON STOCK				DIVIDENDS DECLARED	
	2024		2023		2024	2023
	HIGH	LOW	HIGH	LOW		
First	\$17.79	\$14.86	\$19.82	\$16.74	\$0.18	\$0.16
Second	15.87	13.02	19.11	13.70	0.18	0.16
Third	14.90	12.36	17.64	13.30	0.20	0.18
Fourth	15.23	13.25	16.63	13.79	0.20	0.18

BOARD OF DIRECTORS

ROBERT H. SPILMAN JR.

Chairman of the Board and Chief Executive Officer Bassett Furniture Industries, Inc.

EMMA S. BATTLE

Chief Executive Officer
Market Vigor, LLC

JOHN R. BELK

Former President and Chief Operating Officer
Belk, Inc.
Private Investor

KRISTINA CASHMAN GODINA

Chief Executive Officer
Guy & Larry Restaurants, LLC

VIRGINIA W. HAMLET

Founder and Owner
Hamlet Vineyards, LLC

J. WALTER MCDOWELL

Former Chief Executive Officer
Carolinas/Virginia Banking
Wachovia Corporation

WILLIAM C. WAMPLER JR.

Managing Member
Wampler Consulting Group, LLC
Former Member, Senate of Virginia

WILLIAM C. WARDEN JR.

Lead Independent Director
of Bassett Furniture Industries, Inc.
Former Executive Vice President,
Lowe's Companies, Inc.

OFFICERS

ROBERT H. SPILMAN JR.

Chairman of the Board and Chief Executive Officer

JOHN E. BASSETT III

Senior Vice President, Chief Operations Officer

ANTHONY L. CHIVARI

Senior Vice President, Chief Marketing Officer

BRIAN W. CLASPELL

Senior Vice President, Chief Information Officer

BRUCE R. COHENOUR

Senior Vice President, Chief Sales Officer

J. MICHAEL DANIEL

Senior Vice President, Chief Financial
& Administrative Officer

NICHOLAS C. GEE

Senior Vice President, Corporate Retail

J. TYLER BASSETT

Vice President, Customer Experience Technology

D. SCHON DUKE

Vice President, Lane Venture & Contract Sales

JAY R. HERVEY

Vice President, Secretary, General Counsel

DRURY E. INGRAM

Vice President, Corporate Controller

MATTHEW S. JOHNSON

Vice President, Sales

MIKE R. KREIDLER

Vice President, Upholstery

BETH A. LARSON

Vice President, Upholstery Finance & Administration

PETER D. MORRISON

Vice President, Chief Creative Officer

ROBERT H. SPILMAN III

Vice President, Dedicated Distribution

J. CARTER UNDERWOOD

Vice President, Wood Operations

EDWARD H. WHITE

Vice President, Human Resources