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Industry Research (/ibisworld) > Household Furniture Manufacturing in the US **IBISWorld**

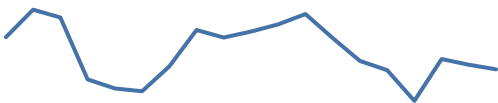
Last Updated: Dec 13, 2023
By: Alexia Moreno Zambrano
Questions about IBISWORLD: [Victoria Barankin](#)
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Industry at a Glance

KEY STATISTICS

P 729 \$ million
PROFIT

CAGR:
2005 - 2023
-2.54 %



P 3.10 %
PROFIT MARGIN

CAGR:
2005 - 2023
0.98 %



R

23,511 \$ million

REVENUE

CAGR:
2004 - 2023
-3.27 %

PROJECTED:
2023 - 2029
0.42 %



I

6,655 \$ million

IVA

CAGR:
2004 - 2023
-2.83 %

PROJECTED:
2023 - 2029
0.32 %



E

4,092 Units

ESTABLISHMENTS

CAGR:
2004 - 2023
-2.88 %

PROJECTED:
2023 - 2029
0.14 %



E

3,929 Units

ENTERPRISES

CAGR:
2004 - 2023
-2.79 %

PROJECTED:
2023 - 2029
0.12 %



E

125,805 Units
EMPLOYMENT

CAGR:
2004 - 2023
-3.07 %

PROJECTED:
2023 - 2029
0.25 %



E

3,140 \$ million
EXPORTS

CAGR:
2004 - 2023
2.41 %

PROJECTED:
2023 - 2029
1.08 %



I

42,219 \$ million
IMPORTS

CAGR:
2004 - 2023
2.72 %

PROJECTED:
2023 - 2029
-1.62 %



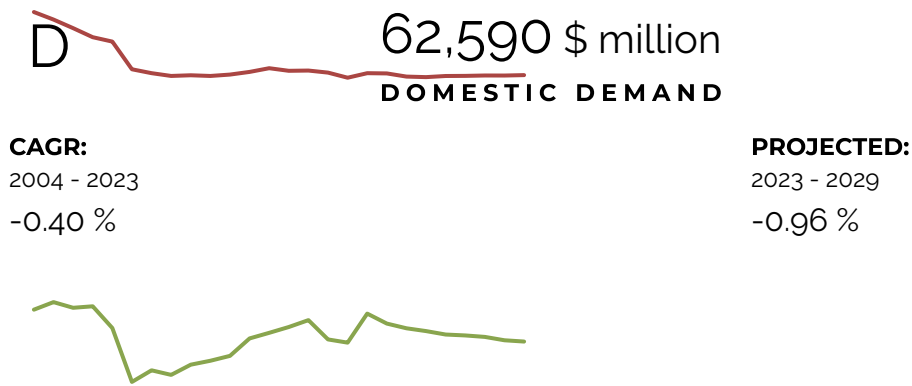
W

5,694 \$ million
WAGES

CAGR:
2004 - 2023
-2.92 %

PROJECTED:
2023 - 2029
0.29 %





Figures have been adjusted for inflation and are presented in 2023 currency.

EXECUTIVE SUMMARY

New furniture sales have been declining, a trend enhanced by the 2020 pandemic. During the early stages of the pandemic, manufacturers experienced a boom in sales, as low interest rates and high disposable income supported the residential market through gains in housing starts and existing home sales. Consumers often purchase new pieces to furnish their homes after moving. However, high inflation and elevated interest rates caused the residential sector to slow down, reversing the 2021 gains. These factors caused revenue to fall at an estimated CAGR of 4.8% to \$23.5 billion over the past five years, including a 4.7% lag in 2023 alone.

Manufacturers face significant threats from foreign furniture producers, as lower operating costs overseas lead to substantial price competition. Recent international conflicts have caused the US dollar to appreciate, making imports comparatively more affordable in the United States and exports less attractive abroad. These trends harm domestic manufacturers as consumers look to purchase furniture for the best value. Domestic producers have resorted to offering higher quality products to compete with the lower priced imports. Manufacturers have also invested in new product development, including the use of eco-friendly materials and building 'smart' furniture to attract new customers. These new products create opportunities for manufacturers to generate higher revenue and profit.

Over the coming years, manufacturers will continue to battle high interest rates that are likely to harm residential activity. During this time, furniture makers must adapt to changes in consumer behavior, mainly the widespread adoption of e-commerce solutions. These trends enable consumers to compare prices, emphasizing the importance of value-added products. However, domestic producers will benefit from the expected depreciation of the dollar, making US furniture more competitive both domestically and abroad. This is expected to mitigate the losses from the residential market, with revenue growing at an estimated 0.4% to \$24.0 billion over the next five years.

CURRENT PERFORMANCE

FLUCTUATIONS IN THE RESIDENTIAL MARKET IMPACT PERFORMANCE

Furniture manufacturers rely heavily on the health of the real estate market and the residential construction sector. When moving homes, consumers often purchase new furniture, as many look for pieces that match their new spaces and adapt to their needs.

During the initial stages of the pandemic, consumers had higher disposable income, partly due to the multiple rounds of stimulus checks. This enabled consumers to move and upgrade their furniture, boosting demand for manufacturers.

These trends reversed quickly as economic conditions declined. High inflation, rising interest rates and growing economic uncertainty made consumers wary of entering large investments, such as purchasing a home, resulting in weakening demand for new furniture.

INTEREST RATE HIKES DISCOURAGE REAL ESTATE ACTIVITY

At the start of the pandemic, interest rates dropped close to 0.0% to avoid or lessen the impact of the pandemic on the economy. As a result, the long-term cost of borrowing fell, causing the residential real estate market to

boom.

Low interest rates resulted in higher furniture sales as it caused the value of residential construction and the number of housing starts to expand.

However, low interest rates and high consumer spending resulted in elevated inflation.

To cool down the economy, the Federal Reserve began a series of interest rate hikes, surpassing pre-pandemic levels. High inflation and rising interest rates boosted consumer uncertainty, causing downstream buyers to postpone purchasing new furniture.

Uncertain economic conditions are also pushing consumers toward more affordable pieces, such as those found in thrift stores or imported furniture.

VOLATILE INPUT PRICES AFFECT SALES

Pent-up demand for manufactured goods resulted in significant supply chain disruptions. These trends led to lower delivery times and higher purchase costs, negatively impacting manufacturers.

Input price increases forced manufacturers to raise the price of furniture. These increases happened during times of significant economic uncertainty, encouraging consumers to look for more affordable alternatives and weakening domestic furniture sales. Although input prices have begun to drop, elevated economic uncertainty is preventing revenue growth.

Input prices rose rapidly during the pandemic, a trend that will continue to harm furniture manufacturers. Smaller producers struggle to pass down cost increases due to growing price competition and small profit margin, causing them to leave the industry or consolidate with other manufacturers.

PROMINENT IMPORT PENETRATION INCREASES COMPETITION

Many foreign furniture manufacturers benefit from operating in countries with lower operating costs, including lower wage requirements and fewer regulations, giving foreign producers a competitive advantage and boosting

price competition.

Rising economic uncertainty and high inflation have made many consumers increasingly price sensitive, encouraging consumers to look for more affordable alternatives, such as imported pieces.

The value of the dollar has appreciated over recent years, as various international conflicts impacted the global economy.

A strong dollar makes imports more affordable for domestic consumers, causing imported furniture to satisfy a larger portion of domestic demand. Simultaneously, a strong dollar makes US furniture more expensive abroad, lowering demand for exports and harming domestic producers.

FUTURE OUTLOOK

MACROECONOMIC TRENDS DISCOURAGE RESIDENTIAL ACTIVITY

Although the Federal Reserve has paused interest rate increases, it announced its intentions to continue raising the interest rate if needed to control inflation. This possibility contributes to the elevated economic uncertainty, as the Fed is not confident about the short-term future of the economy.

The residential sector is expected to remain somewhat muted, with minor gains in housing starts and declining existing home sales. This slowdown, alongside weak economic conditions, pushes consumers to opt for more affordable alternatives or postpone furniture shopping.

Furniture manufacturers will benefit from growing per capita disposable income. However, prominent import penetration will continue to create hardships for domestic producers.

Demand generated from growing housing starts and the expected depreciation of the US dollar are expected to boost demand for domestic furniture, although growth is likely to be muted amid high economic uncertainty.

ELEVATED INFLATION REMAINS A CONCERN

High inflation will continue to threaten residential activity as the elevated prices will likely require consumers to postpone new home purchases and construction plans.

An elevated cost of living forces consumers to spend more on basic needs, such as food and utilities. When inflation is high, consumer spending rises, limiting disposable income and preventing luxury item sales.

The Federal Reserve continues to work toward achieving its goal of controlling inflation. Although the Fed has been able to lower the inflation rate, it remains above the organization's target. This opens the door for possible interest rate hikes in the coming years, negatively impacting furniture sales.

The threat of stubborn inflation results in weaker consumer confidence, causing consumers to plan moves and big purchases more carefully and preventing significant spending on new furniture.

MANUFACTURERS MUST ADAPT TO CHANGES IN PREFERENCES

The newer generations are increasingly tech-savvy, causing significant growth in e-commerce activity and forcing manufacturers to adopt these new trends. Smaller manufacturers with limited shipping capabilities will struggle to meet demand from e-commerce, enabling large producers to capture a higher market share.

Traditional retailers might be somewhat protected from the growth in e-commerce as many consumers favor stores where they can try the product before purchasing.

Consumers' ability to compare prices and find the most affordable option online emphasizes the importance of offering high-quality, affordable furniture.

Falling residential activity pushes manufacturers toward innovation, focusing on developing new value-added products, such as furniture made from eco-friendly materials and customizable, buildable furniture.

A WEAKENING DOLLAR BENEFITS DOMESTIC MANUFACTURERS

As global conflicts continue to resolve, the value of the US dollar is likely to depreciate, causing domestically produced furniture to become comparatively more affordable and boosting export activity.

Similarly, a weaker dollar causes imports to become more expensive for domestic consumers, lowering imports and supporting domestic consumption.

Lower operating costs overseas will continue to pose a threat to domestic manufacturers, as lower priced imports will continue to appeal to price-sensitive consumers. However, as disposable income grows, consumers will be more inclined to purchase higher priced, higher quality furniture.

Although demand for US produced furniture is expected to grow, manufacturers will continue to face significant competition from foreign manufacturers, as lower operating costs enable them to remain price competitive.

INDUSTRY DEFINITION

This industry manufactures a range of furniture for personal, household and public use. Public furniture is used for hospitals, theaters, cafeterias, schools and other facilities. Furniture may be made on a stock or custom basis and may be sold assembled or unassembled.

INDUSTRY IMPACT



POSITIVE IMPACT

Capital Intensity Level

low

Concentration Level

low



NEGATIVE IMPACT

Life Cycle Stage

decline

Industry Assistance Level

low - steady

Globalization Level

high - increasing

Competition Level

high - steady

SWOT ANALYSIS

S

STRENGTHS

Low Customer Class Concentration

Low Capital Requirements

W

WEAKNESSES

Low & Steady Level of Assistance

High Competition

Decline Life Cycle Stage

High Imports

Low Profit vs. Sector Average

High Product/Service Concentration

Low Revenue per Employee

O

OPPORTUNITIES

High Revenue Growth (2023-2028)

High Performance Drivers

Per capita disposable income

T

THREATS

Very Low Revenue Growth (2005-2023)

Low Revenue Growth (2018-2023)

Low Outlier Growth

Import penetration into the manufacturing sector

KEY TRENDS

Prominent import penetration harms domestic manufacturers. Domestic producers struggle to compete with lower production costs overseas, enabling foreign producers to capture a large portion of domestic demand.

Losses in the residential market result in falling revenue. Elevated inflation and high interest rates discourage housing starts and existing home sales, negatively impacting new furniture sales.

The expected depreciation of the US dollar is likely to result in some revenue growth. However, this growth will be slow as unfavorable economic conditions prevent consumers from making large purchases.

Housing starts and existing home sales fall amid macroeconomic conditions. This trend harms manufacturers, as consumers tend to purchase new pieces when moving.

Manufacturers are subject to various environmental regulations, including laws protecting the water and air. This increases operating costs for domestic manufacturers.

Upholstered furniture generates the most revenue. These pieces are often heavier than other furniture, resulting in most of this furniture being produced or assembled domestically.

Foreign producers take over easy-to-ship furniture. This enables them to benefit from their lower operating costs and push out domestic producers that are unable to compete.

Retailers serve consumers directly, enabling them to become the largest market. Since household furniture is primarily used by consumers, retailers have opted to purchase products directly from manufacturers to save on costs.

Manufacturers base operations near highly populated areas. This provides them with proximity to more downstream consumers, boosting sales and lowering transportation costs.

Proximity to suppliers supports domestic producers. Manufacturers can maintain good relationships with major suppliers by operating out of the Southeast and the Great Lakes.

Domestic producers face strong competition from imports. A strong US dollar has enhanced this trend by making imported furniture more affordable for domestic consumers.

US producers compete on product design. Since domestic furniture is often unable to remain price-competitive, manufacturers aim to develop better products, including ergonomic and other value-added features.

Ashley Furniture acquires a logistics company. The company aims to expand its shipping capabilities by acquiring the western division of Wilson Logistics to better serve the western market.

Major manufacturers acquire other producers. By consolidating, manufacturers are able to expand their product portfolio and serve a broader market.

Making high-quality products is a labor intensive process. Manufacturers rely heavily on human labor to design, produce and assemble furniture.

Input price volatility boosts purchase costs. Manufacturers mainly use wood and steel to make furniture, both of which have experienced significant price volatility over recent years amid supply chain disruptions and shortages.

Supply Chain

EXTERNAL DRIVERS

I

IMPORT PENETRATION INTO THE MANUFACTURING SECTOR

Consumers can purchase domestically produced or imported furniture, impacting demand for US manufacturers. Growth in the volume of imported furniture has reduced the US market share of domestic furniture manufacturers. Lower prices make imported furniture more attractive to domestic consumers despite their perceived lower quality. Since imports are a substitute for domestically produced furniture, higher import penetration poses a potential threat to this industry.

CAGR:

2002 - 2023

1.95 %

PROJECTED:

2023 - 2030

1.42 %



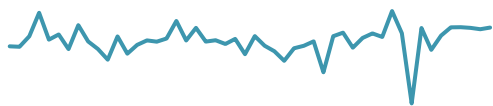
P

PER CAPITA DISPOSABLE INCOME

Household disposable income directly impacts furniture producers as furniture is a commonly discretionary purchase. In periods of low disposable income, consumers delay purchases of new furniture by repairing existing furniture or opting for second-hand pieces. These trends result in falling retail sales, lowering demand for furniture manufacturers. Higher per capita disposable income represents a potential opportunity for the industry.

CAGR:
1980 - 2023
1.84 %

PROJECTED:
2023 - 2030
3.18 %



H

HOUSING STARTS

The number of housing starts measures new, privately owned housing units that have begun construction in a given year. Housing starts gains reflect strong household growth, including formations and relocations. Moving to a new home often pushes consumers to purchase furniture that fits their new space, boosting demand for home furniture manufacturers.

CAGR:
1980 - 2023
0.19 %

PROJECTED:
2023 - 2030
0.21 %



T

TRADE-WEIGHTED INDEX

The trade-weighted index (TWI) measures the strength of the US dollar relative to the currencies of its trading partners. An appreciating dollar leads to comparatively more affordable imports, harming domestic manufacturers. On the other hand, a weakening dollar lowers the price of US furniture abroad, boosting demand for US produced furniture.

CAGR:
1980 - 2023
0.52 %

PROJECTED:
2023 - 2030
-1.98 %



PRICE OF SAWMILL LUMBER

CAGR:

2.03 %

0.56 %




TIER 2 SUPPLIERS

(/ibisworld/reportkey/1/493)




TIER 1 SUPPLIERS



**Electric Power
Transmission in the
US**

(/ibisworld/reportkey/1/155)



**Industrial
Machinery &
Equipment
Wholesaling in the
US**


(/ibisworld/reportkey/1/948)



HOUSEHOLD FURNITURE MANUFACTURING IN THE US



TIER 1 BUYERS



**Furniture Stores in
the US**

(/ibisworld/reportkey/1/1016)




**Furniture
Wholesaling in the
US**

(/ibisworld/reportkey/1/918)



TIER 2 BUYERS




**Home Improvement
Stores in the US**

(/ibisworld/reportkey/1/1031)



**Warehouse Clubs &
Supercenters in the
US**

(/ibisworld/reportkey/1/1092)



**Home Furnishings
Stores in the US**

(/ibisworld/reportkey/1/1019)



**Department Stores
in the US**

(/ibisworld/reportkey/1/1090)

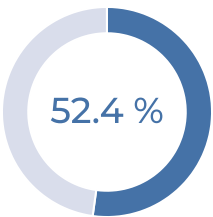
SIMILAR INDUSTRIES



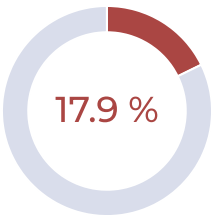
RELATED INTERNATIONAL INDUSTRIES

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<div>(/ibisworld/reportkey/61/289)</div>	<div><div><div><div><div></div><div><u>Wicker and Fibreglass Furniture Manufacturing in Australia</u></div></div></div></div></div>
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<div>(/ibisworld/reportkey/124/862)</div>	<div><div><div><div><div></div><div>Furniture Manufacturing in New Zealand</div></div></div></div></div>

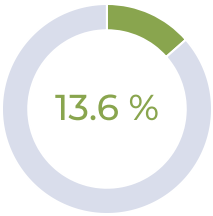
PRODUCTS & SERVICES



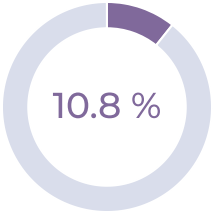
UPHOLSTERED HOUSEHOLD FURNITURE



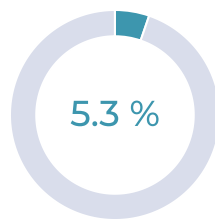
INSTITUTIONAL FURNITURE



NON-UPHOLSTERED WOOD HOUSEHOLD FURNITURE



METAL HOUSEHOLD FURNITURE



OTHER

UPHOLSTERED FURNITURE IS MOSTLY DOMESTIC

Upholstered furniture includes couches, recliners, futons and ottomans. This is the most popular segment as consumers often purchase multiple pieces to furnish their homes, generating more than half the revenue.

Upholstered pieces are bulky, which, in turn, results in higher shipping costs. Some manufacturers assemble upholstered furniture domestically, reducing import competition and enabling growth.

Upholstered furniture is expected to continue dominating the industry as these products are often considered to be necessities, enabling demand to grow alongside revenue.

INSTITUTIONAL FURNITURE FALLS AMID THE PANDEMIC

Institutional furniture includes furniture designed for schools, restaurants, theaters, churches and other public and commercial establishments. The segment also includes classroom desks and chairs, cafeteria tables, theater seating and dining booths.

The pandemic negatively impacted the nonresidential construction sector. During this time, students were required to take classes online and social distancing regulations prevented group gatherings. This harmed foot traffic at institutions, harming demand for new furniture.

Economic conditions have improved since the start of the pandemic, although the recovery has shown to be slow.

High levels of economic uncertainty prevent the segment from expanding, as recession fears deter new businesses from forming.

WOODEN FURNITURE IS EASY TO SHIP

The non-upholstered wood household furniture segment includes furniture like shelves, dressers, cabinets and other products made of hard materials.

These products are more affordable to ship as they can be assembled at their destination, resulting in prominent competition from foreign producers.

Many manufacturers opted to offshore the production of non-upholstered furniture, boosting imports and harming domestic producers.

The remaining domestic producers focus on high-end furniture as a competitive advantage over lower-cost imports.

METAL FURNITURE IS COMPETITIVE AMID AUTOMATION

Metal furniture includes wrought iron furniture, outdoor metal furniture, bed frames, stools, TV stands, tables and wardrobes.

Compared with wood, producing metal furniture is less labor intensive and can be manufactured more consistently in an automated production facility.

As metal furniture requires less human labor, domestic manufacturers can better compete with imports, preventing significant growth.

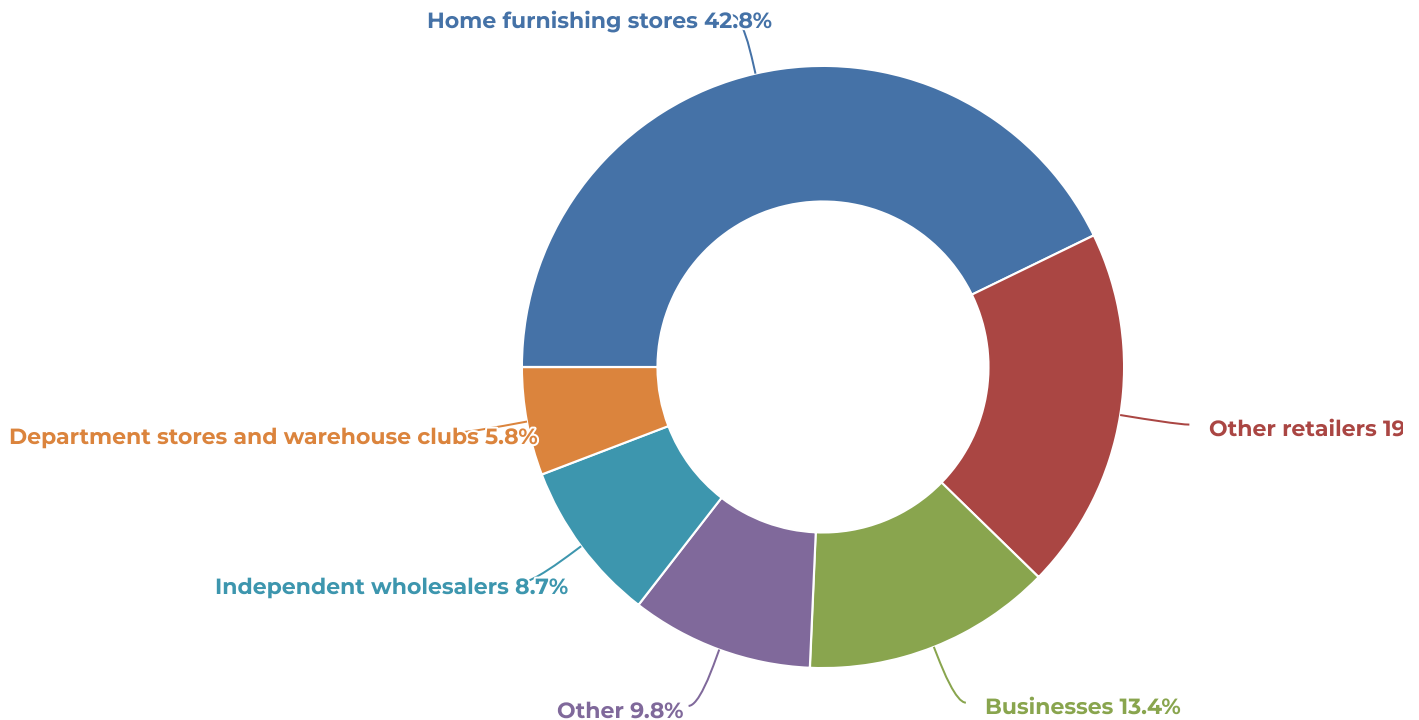
OTHER FURNITURE IS MADE OF OTHER MATERIALS

Other products include household furniture made of other materials, such as plastic, reed, rattan, wicker and fiberglass.

Manufacturers of other products commonly serve niche markets, supporting smaller furniture producers.

Uncertain economic conditions have caused the segment to fall. However, other furniture sales will expand as consumers grow confident in the future of the economy.

MARKET SEGMENTATION



RETAILERS REMAIN THE LARGEST MARKET FOR HOME FURNITURE

Retailers purchase furniture from manufacturers to sell directly to consumers. This segment does not include furniture stores that purchase pieces through an intermediary distributor, such as wholesalers.

Many consumers prefer to purchase furniture directly from retailers. Consumers can go to the store and check the piece's features, including the materials, level of comfort, looks and dimensions. This enables consumers to test the pieces before making a significant investment.

The 2020 pandemic harmed retailers that rely on foot traffic for many of their sales, as most retail stores were not considered essential and were forced to pause operations to comply with social distancing regulations.

Many retailers have also opted to offer consumers the option to purchase products online, enabling them to reach a broader audience. However, unfavorable economic conditions have prevented the segment from expanding.

DEPARTMENT STORES AND WAREHOUSES BENEFIT FROM STRONG BRANDING

Department stores and Warehouses include large retailers, such as Walmart and Macy's, as well as home centers, outdoor stores and office supply stores.

Retailers, mainly large discount stores, have increasingly established direct relationships with manufacturers to avoid wholesalers' markups and offer lower prices to customers.

Vertically integrated manufacturers have expanded retail footprints to boost brand awareness and profitability.

WHOLESALEERS SHRINK AS THE INDUSTRY ELIMINATES MIDDLEMEN

Wholesalers purchase furniture items in bulk and resell them to retailers and directly to business and government customers.

Many small- and mid-sized manufacturers rely on their partnership with wholesalers to distribute their products, as most of them don't have the resources to transport furniture efficiently.

As online platforms continue to become more popular, wholesalers will shrink. Growing online and direct-to-retailer distribution simplifies the order and shipping process, slowly eliminating the need for a middleman.

Large retailers are increasingly opting to purchase products directly from manufacturers to cut down costs. This trend is likely to strengthen over the coming years, harming demand for wholesalers.

BUSINESSES AND OTHER END USERS BENEFIT FROM DIVERSIFIED REVENUE STREAMS

A smaller portion of the industry serves the nonresidential market, producing furniture like restaurant seating and benches. Similarly, nonresidential industries also purchase couches and other upholstery.

Manufacturers serving smaller markets have faced success by promoting their products directly to consumers online, boosting sales.

This segment accounts for a smaller portion of revenue. However, the diversification of this sector has led to growth over recent years.

INTERNATIONAL TRADE

IMPORTS

high and decreasing

EXPORTS

moderate and decreasing

Imports

LOWER OPERATING COSTS ABROAD LEAD TO STRONG IMPORTS

Most imported furniture comes from cost-efficient manufacturers based in countries like China, Vietnam and Mexico.

Chinese imports have increased rapidly, enabled by supply chain efficiencies and lower operating costs. These factors make Chinese furniture extremely price-competitive in the US market, regardless of tariffs.

Imported furniture outperformed domestic producers over recent years as consumers shopped around for the best price possible. However, unfavorable economic conditions have weakened demand for imported furniture over recent years.

STRONG US DOLLAR SUPPORTS IMPORT PENETRATION

Over recent years, the dollar has become comparatively more valuable than the currencies of major trade partners, making imports more affordable for domestic consumers.

An appreciating dollar has resulted in imports satisfying a larger portion of domestic demand, as lower prices act as a sales incentive.

As the dollar depreciates, import penetration is likely to weaken. Imports will continue to satisfy a large portion of domestic demand, showing the globalized nature of the industry.

Exports

AN APPRECIATING DOLLAR HARMS EXPORTS

Various international conflicts, alongside the effects of the pandemic on the global economy, have strengthened the US dollar.

A strengthening dollar increases the price of domestic furniture sold abroad, driving purchase costs higher for international markets.

Stabilizing economic conditions worldwide will cause the US dollar to devalue, making the price of domestic furniture fall and slightly boosting export activity.

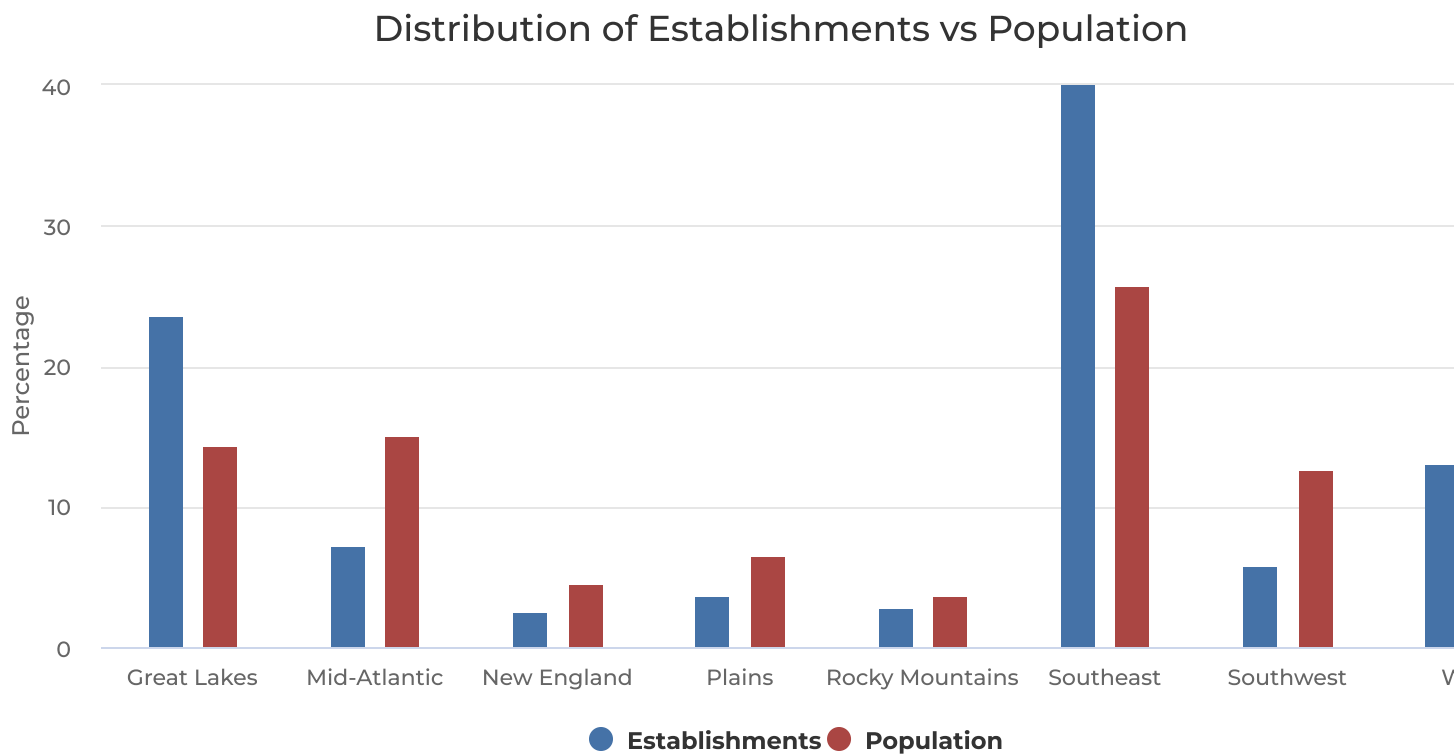
EXPORTS BENEFIT FROM THE UNITED STATES-MEXICO-CANADA TRADE AGREEMENT (USMCA)

The USMCA enables trade between the United States, Mexico and Canada with lower barriers as long as the products meet certain production criteria.

Mexico and Canada are two of the largest export destinations for furniture. Manufacturers benefit from proximity to these markets as it lowers transportation costs.

US furniture is particularly popular in Canada, which accounts for more than half of exported furniture, as they aim to purchase higher-quality furniture than Mexico, a country that can sell more affordable pieces.

BUSINESS LOCATIONS



PROXIMITY TO POPULATION DENSE REGIONS SUPPORT PERFORMANCE

Furniture manufacturers benefit from basing operations near regions with high population concentration, such as the Southeast and the West.

Metropolitan cities with large populations are attractive to manufacturers, as new consumers are consistently moving into these cities and need to furnish their new homes.

MANUFACTURERS AIM TO REMAIN CLOSE TO SUPPLIERS

Many producers strategically base operations near major sawmill lumber and steel producers, resulting in a large number of manufacturers being based in the Great Lakes and the Southeast.

Proximity to suppliers enables manufacturers to maintain positive relations with suppliers, positively impacting contract renewals and access to main inputs.

Manufacturers can lower transportation costs by remaining close to input suppliers, supporting profit growth.

SIMPLIFIED TRADE ACTIVITY BENEFITS PRODUCERS

Producers often base operations on regions that support exporting activity. These include regions near borders or with access to major trade ports. The Southeast and the West, having access to the coasts, benefit from proximity to trade ports based in California and throughout the Southeast. The West and the Great Lakes have easy access to Mexico and Canada, the two largest export destinations of home furniture. These manufacturers greatly benefit from the United States-Mexico-Canada Agreement.

Competitive Landscape

BASIS OF COMPETITION



HIGH competition



STEADY competition

Domestic producers face strong competition from imports. A strong US dollar has enhanced this trend by making imported furniture more affordable for domestic consumers.

US producers compete on product design. Since domestic furniture is often unable to remain price-competitive, manufacturers aim to develop better products, including ergonomic and other value-added features.

BARRIERS TO ENTRY

<div><div></div><div>MODERATE barriers</div></div>	<div><div></div><div>STEADY barriers</div></div>
<div>FACTORS FOR INCREASED BARRIERS</div> <div><div>Life Cycle Stage</div><div>decline</div></div> <div><div>Industry Assistance Level</div><div>low - steady</div></div> <div><div>Globalization Level</div><div>high - increasing</div></div> <div><div>Competition Level</div><div>high - steady</div></div>	<div>FACTORS FOR DECREASED BARRIERS</div> <div><div>Capital Intensity Level</div><div>low</div></div> <div><div>Concentration Level</div><div>low</div></div>

Manufacturers rely heavily on human labor to produce and assemble furniture. Similarly, furniture producers need qualified workers to design components of the production process.

MARKET SHARE CONCENTRATION

↓

LOW concentration

STRONG IMPORT PENETRATION LIMITS PERFORMANCE

Consumers becoming more price-conscious threatens domestic manufacturers, as imported furniture is often more affordable than that produced in the United States. This has led imports to satisfy more than half of domestic demand.

Manufacturers that have based manufacturing capabilities overseas benefit from lower operating costs, mainly driven by lower wage requirements and fewer environmental regulations. This enables them to charge lower prices, boosting price competition and pressuring domestic producers' profitability. Heightened price competition has pushed out many domestic manufacturers that have been unable to lower their prices, impacting market share.

CONSOLIDATION AND OFFSHORING TRENDS ARE COMMON AMONG MANUFACTURERS

Manufacturers are increasingly opting to offshore manufacturing capabilities to countries with lower operating costs, such as China, Vietnam and Mexico. Lowering operating cost enable manufacturers to lower operating costs and boost profitability.

Some furniture producers opted to maintain some manufacturing capabilities in the United States, particularly the production of upholstered furniture, as shipping costs are significantly higher for these products.

Domestic producers looking to capture a larger share of revenue often opt to acquire or merge with other producers or other verticals, such as shipping companies, to expand their product range and service offerings.

INDUSTRY GLOBALIZATION



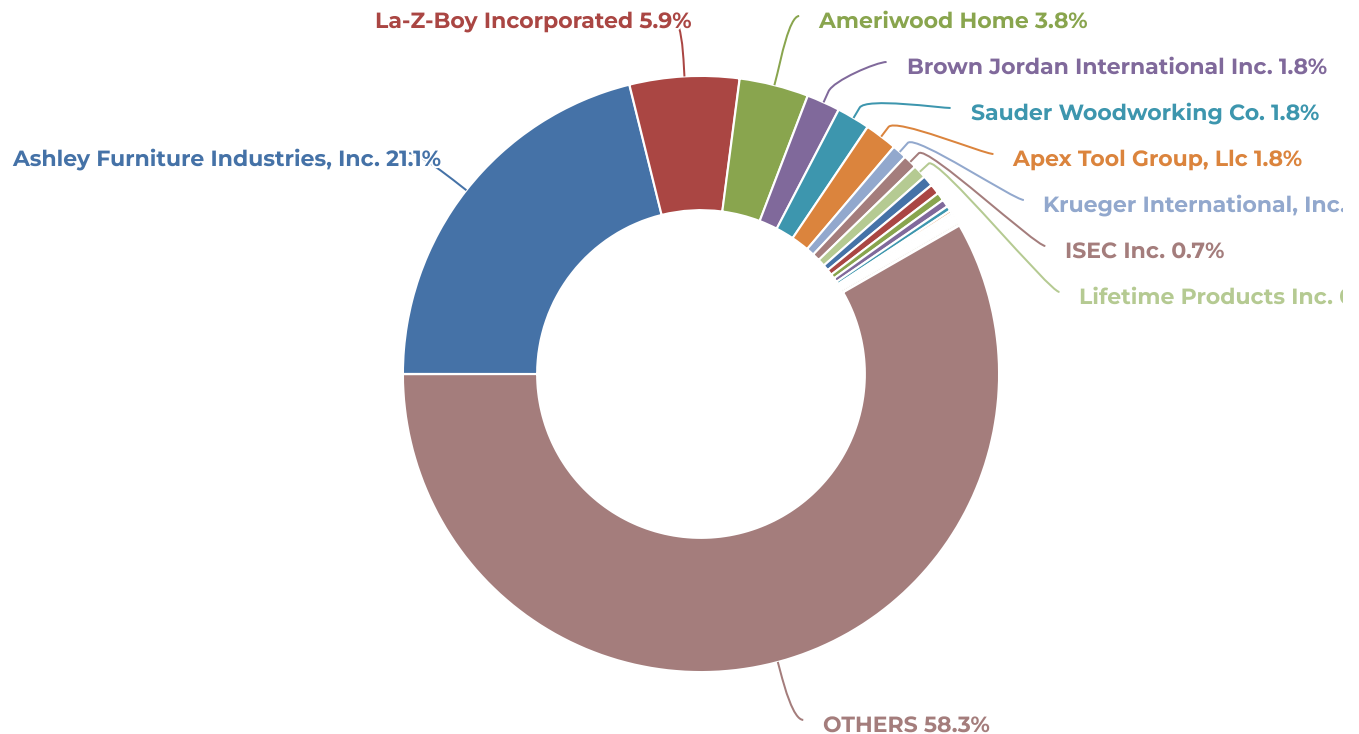
HIGH globalization



INCREASING globalization

MAJOR PLAYERS

Market Share for 2023



2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

ASHLEY FURNITURE INDUSTRIES, INC.

SUB-BRANDS: ASHLEY, ASHLEY FURNITURE INDUSTRIES, ASHLEY HOMESTORE

MARKET SHARE: 21.1 %

REVENUE: 4,972,000,000 \$ million

ENDURING DURING HARD ECONOMIC TIMES

Ashley Furniture Industries Inc. (Ashley Furniture) in fiscal year ending in December, 2020 had \$6.6 billion in sales. The revenue for fiscal year 2020 experienced a 2.7% increase from the fiscal year 2019. Ashley Furniture is #62 on Forbes list of "America's Largest Private Companies 2021".

ENVIRONMENTAL STEWARDSHIP AWARD FROM LOCAL ORGANIZATION

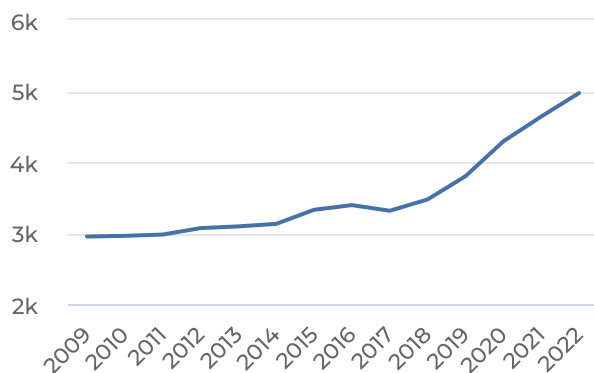
Ashley Furniture was a 2021 Wisconsin Business Friend of the Environment award winner. The Wisconsin Manufacturers & Commerce (WMC) gave its

award to Ashley Furniture for its Environmental Stewardship. The WMC has presented this award for over three decades to companies that have demonstrated environmental leadership.

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2009	2,951		97	
2010	2,960	0	97	0
2011	2,978	1	98	1
2012	3,069	3	101	3
2013	3,093	1	102	1
2014	3,129	1	103	1
2015	3,327	6	109	6
2016	3,393	2	112	2
2017	3,313	-2	109	-2
2018	3,473	5	88	-19
2019	3,800	9	91	3
2020	4,291	13	47	-48
2021	4,640	8	143	203
2022	4,972	7	154	8

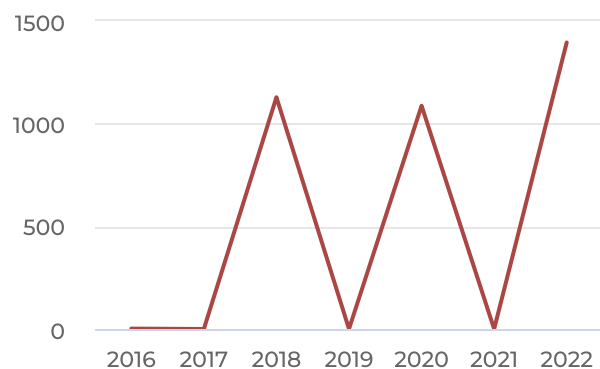
* Estimates

REVENUE



REVENUE OPERATING INCOME**LA-Z-BOY INCORPORATED****MARKET SHARE: 5.9 %****REVENUE: 1,395,500,000 \$ million**

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2016	2		0	
2017	0	-100	0	-100
2018	1,129		114	
2019	0	-100	0	-100
2020	1,087		116	
2021	0	-100	0	-100
2022	1,396		144	

** Estimates***REVENUE****REVENUE OPERATING INCOME**

AMERIWOOD HOME

SUB-BRANDS: AMERITRUST HOME, LITTLE SEEDS, MR. KATE, NOVOGRATZ, NTENSE, OLLIE & HUTCH, QUEER EYE, REALROOMS, SIGNATURE SLEEP, SYSTEMBUILD EVOLUTION

MARKET SHARE: 3.8 %

REVENUE: 883,000,000 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2016	767		24	
2017	790	3	25	3
2018	825	4	26	5
2019	806	-2	25	-2
2020	726	-10	23	-10
2021	777	7	24	7
2022	883	14	27	14

* Estimates



BROWN JORDAN INTERNATIONAL INC.

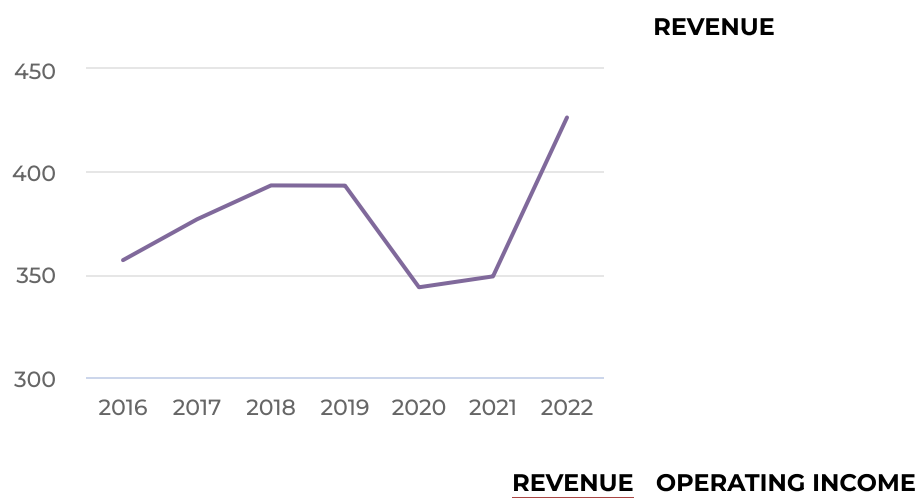
SUB-BRANDS: BROWN JORDAN, BROWN JORDAN INTERNATIONAL INC, CASTELLE, CHARTER, TEXACRAFT, TROPITONE, WINSTON

MARKET SHARE: 1.8 %

REVENUE: 426,388,160 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2016	357		12	
2017	377	6	13	6
2018	393	4	13	5
2019	393	0	13	0
2020	344	-13	12	-13
2021	349	2	12	2
2022	426	22	15	22

* Estimates



SAUDER WOODWORKING CO.

SUB-BRANDS: SAUDER, SAUDER WOODWORKING CO.

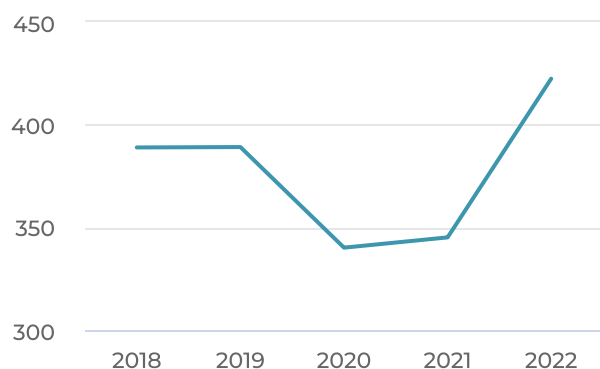
MARKET SHARE: 1.8 %

REVENUE: 422,429,280 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2018	389		13	
2019	389	0	13	0
2020	340	-13	12	-12
2021	345	2	12	1
2022	422	22	14	23

* Estimates

REVENUE



REVENUE OPERATING INCOME

APEX TOOL GROUP, LLC

SUB-BRANDS: APEX, CAMPBELL, CLECO, CRESCENT, EREM, GEARWRENCH, JACOBS, SATA, WELLER, XCELITE

MARKET SHARE: 1.8 %

REVENUE: 415,854,450 \$ million

APEX TOOL GROUP WORK TO HELP LOCAL WORKERS WITH PPE EQUIPMENT

During the height of COVID-19 in 2020 Apex Tool Group's China division worked hastily to get PPE equipment out to their customers and employees in the wake of the virus. In addition to this the company's US operations worked to donate thousands of PPE equipment to healthcare workers in Charlotte, NC in wake of the coronavirus.

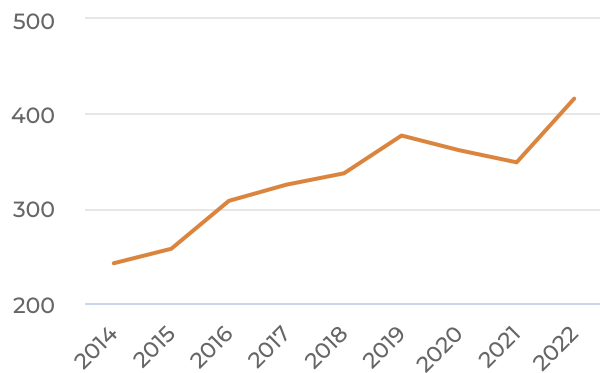
WANXIANG GROUP TO HALT PURSUIT OF APEX TOOL GROUP PURCHASE

The Hangzhou, China-based Wanxiang Group, announced in late 2021 that they would no longer be pursuing the Bain Capital owned, Apex Tool Group (ATG). The year prior ATG exhibited a steep drop in EBITDA as well as other COVID-19 related issues. Moody's had also downgraded Apex's CFR to Caa2 from Caa1, citing they have a negative future outlook. Due to this the Wanxiang Group has ceased all interest in a deal with Bain Capital.

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2014	242		8	
2015	257	6	9	6
2016	308	20	11	21
2017	325	6	11	6
2018	337	4	12	4
2019	377	12	13	11
2020	361	-4	12	-4
2021	349	-4	12	-3
2022	416	19	14	19

* Estimates

REVENUE



REVENUE OPERATING INCOME

KRUEGER INTERNATIONAL, INC.

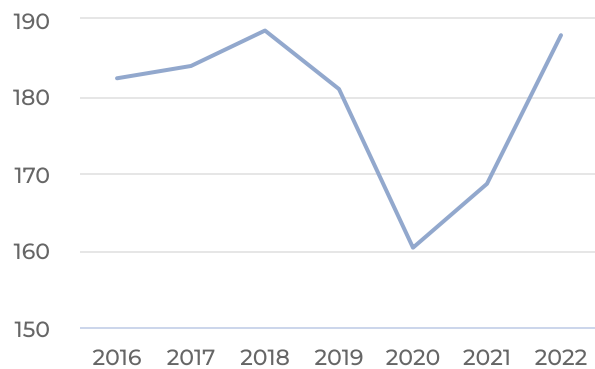
MARKET SHARE: 0.8 %

REVENUE: 187,880,400 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2016	182		6	
2017	184	1	6	2
2018	189	3	6	2
2019	181	-4	6	-5
2020	160	-11	5	-12
2021	169	5	6	6
2022	188	11	6	12

** Estimates*

REVENUE



REVENUE OPERATING INCOME

ISEC INC.

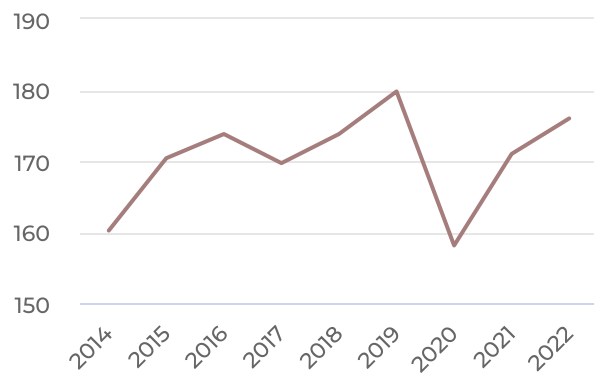
MARKET SHARE: 0.7 %

REVENUE: 175,968,890 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2014	160		5	
2015	170	6	6	7
2016	174	2	6	2
2017	170	-2	6	-2
2018	174	2	6	2
2019	180	4	6	3
2020	158	-12	5	-12
2021	171	8	6	7
2022	176	3	6	3

* Estimates

REVENUE



REVENUE OPERATING INCOME

LIFETIME PRODUCTS INC.

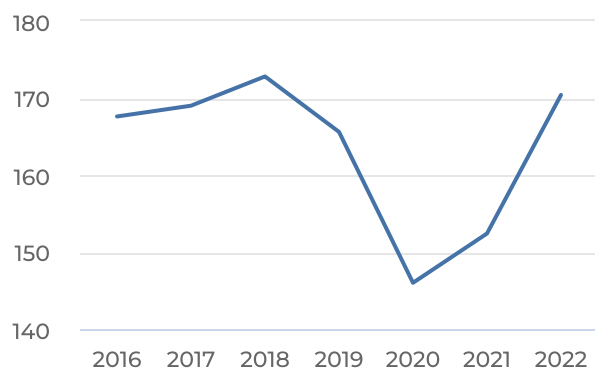
MARKET SHARE: 0.7 %

REVENUE: 170,379,800 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2016	168		6	
2017	169	1	6	0
2018	173	2	6	4
2019	166	-4	6	-5
2020	146	-12	5	-11
2021	152	4	5	4
2022	170	12	6	12

* Estimates

REVENUE



REVENUE OPERATING INCOME

ULINE, INC.

MARKET SHARE: 0.6 %

REVENUE: 139,200,500 \$ million

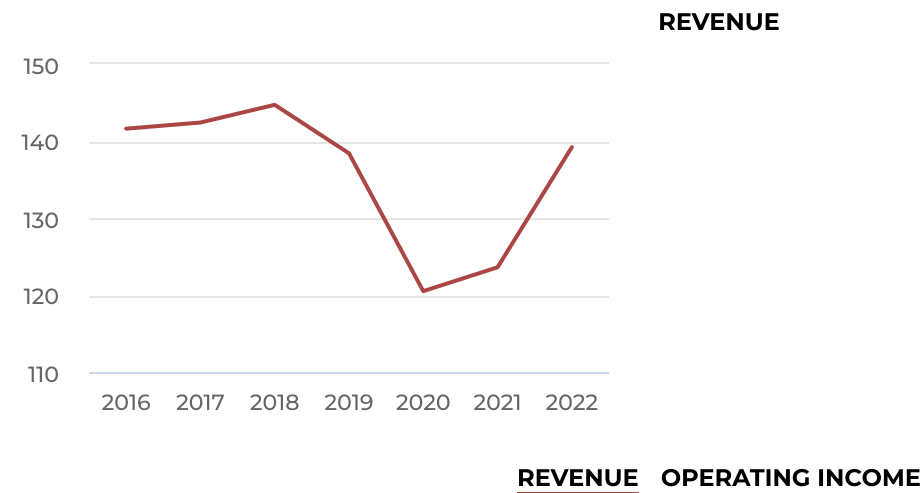
ULINE INC BEGINS CONSTRUCTION ON NEW DISTRIBUTION CENTER

November 4th, 2021 The construction of a new Uline Inc. (Uline) distribution center has commenced after a successful deal with Collier County, Tennessee commissioners. The project is being undertaken by Mortenson and DeAngelis Diamond construction companies, and will cost Uline approximately \$96.0 million. The facility will consist of a 937,000-square-foot, 40-foot clear height, cross-docked precast panel with a structural steel framework warehouse, and will serve as the regional distribution center for Collier County and the surrounding area. The project is set to be completed by early 2023.

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2016	142		5	
2017	142	1	5	0
2018	145	2	5	2
2019	138	-4	5	-4
2020	121	-13	4	-13
2021	124	3	4	2

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2022	139	13	5	12

* Estimates



HERITAGE HOME GROUP LLC

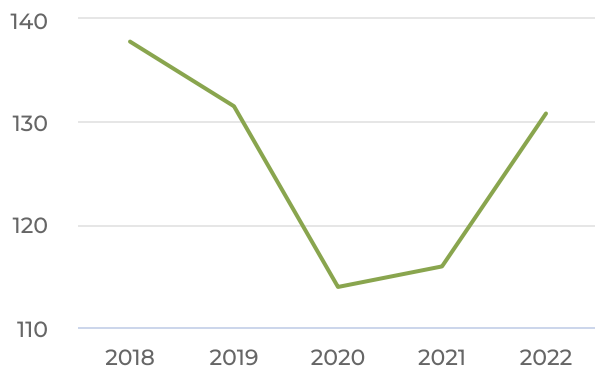
MARKET SHARE: 0.6 %

REVENUE: 130,751,920 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2018	138		5	
2019	132	-5	5	-4
2020	114	-13	4	-13
2021	116	2	4	0
2022	131	13	4	13

* Estimates

REVENUE



REVENUE OPERATING INCOME

KELLEX CORPORATION

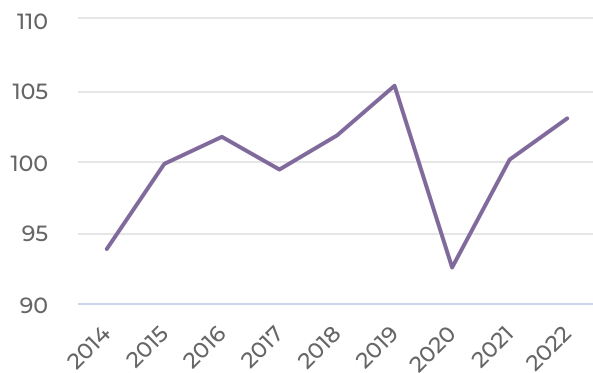
MARKET SHARE: 0.4 %

REVENUE: 103,023,270 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2014	94		3	
2015	100	6	3	6
2016	102	2	4	3
2017	99	-2	3	-3
2018	102	2	4	3
2019	105	3	4	3
2020	93	-12	3	-14
2021	100	8	3	10
2022	103	3	4	3

* Estimates

REVENUE



REVENUE **OPERATING INCOME**

FLEXSTEEL INDUSTRIES INC.

SUB-BRAND: FLEXSTEEL

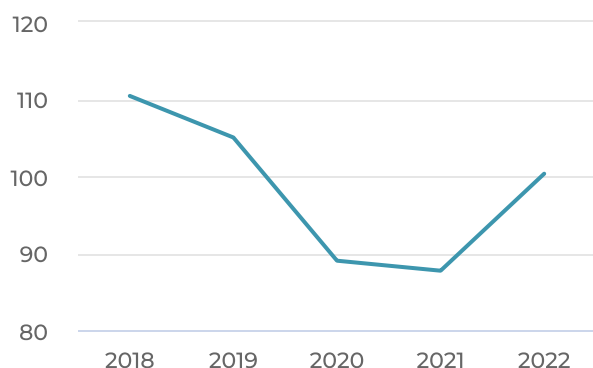
MARKET SHARE: 0.4 %

REVENUE: 100,300,000 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2018	110		4	
2019	105	-5	4	-3
2020	89	-15	3	-17
2021	88	-2	3	0
2022	100	14	3	13

* Estimates

REVENUE



REVENUE OPERATING INCOME

AMERICAN SEATING

MARKET SHARE: 0.3 %

REVENUE: 62,195,530 \$ million

AMERICAN SEATING MAKES NEW APPOINTMENTS WITH NEW LEADERSHIP

On August 4, 2020, American Seating announced its intentions to appoint new leadership in the company. The new move will involve the company appointing its CEO Edward Clark as its new chairman, while the company's COO Thomas Bush will now be the company's newest CEO.

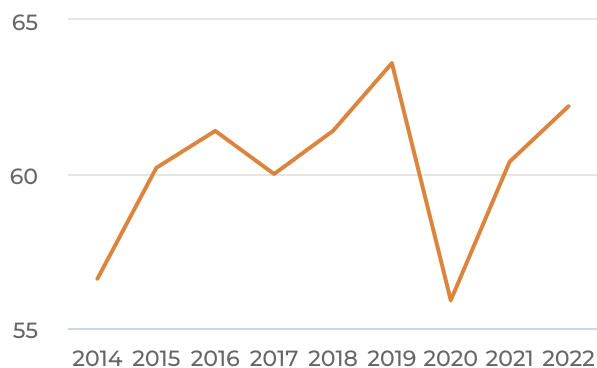
AMERICAN SEATING SELLS FIXED SEATING SEGMENT TO IRWIN SEATING COMPANY

In March 2017, American Seating sold its fixed seating business to Irwin Seating Company. The financial terms of the agreement were not disclosed, but American Seating did lay off 80 workers. The company is instead choosing to focus on its transportation seating segment, which is less seasonal.

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2014	57		2	
2015	60	6	2	5
2016	61	2	2	5
2017	60	-2	2	-5
2018	61	2	2	5
2019	64	4	2	5
2020	56	-12	2	-14
2021	60	8	2	11
2022	62	3	2	0

* Estimates

REVENUE



REVENUE OPERATING INCOME

HUSSEY SEATING COMPANY

MARKET SHARE: 0.1 %

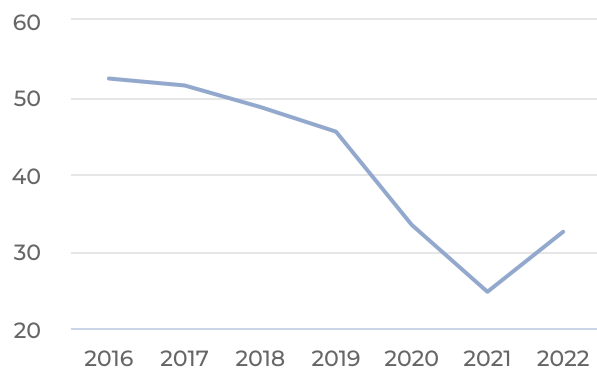
REVENUE: 32,486,820 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2016	52		2	

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2017	52	-2	2	0
2018	49	-5	2	-6
2019	46	-7	2	-12
2020	33	-27	1	-27
2021	25	-26	1	-27
2022	33	32	1	38

* Estimates

REVENUE



REVENUE OPERATING INCOME

SPG INTERNATIONAL LLC

MARKET SHARE: 0.1 %

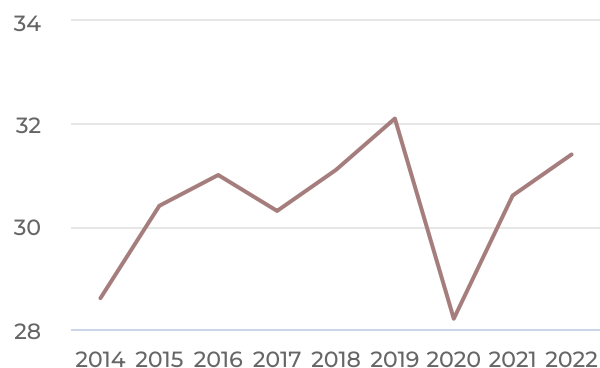
REVENUE: 31,441,180 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2014	29		1	
2015	30	6	1	0
2016	31	2	1	10
2017	30	-2	1	-9

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2018	31	3	1	10
2019	32	3	1	0
2020	28	-12	1	-9
2021	31	9	1	0
2022	31	3	1	10

* Estimates

REVENUE



REVENUE OPERATING INCOME

FOLDCRAFT COMPANY

MARKET SHARE: 0.1 %

REVENUE: 24,774,280 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2014	23		1	
2015	24	6	1	0
2016	25	2	1	0
2017	24	-2	1	0
2018	25	3	1	0

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2019	25	3	1	13
2020	22	-12	1	-11
2021	24	8	1	0
2022	25	3	1	0

* Estimates



LYON LLC

MARKET SHARE: 0.1 %

REVENUE: 23,021,250 \$ million

FEWER EMPLOYEE CAN TRANSLATE TO SMALLER MARKET SHARE

Lyon has a smaller employee force than its competitors, on average. As a result, the company has a smaller operating capacity than other players in the industry and manufactures fewer products. This can constrain market share, as Lyon is unable to take advantage of economies of scale.

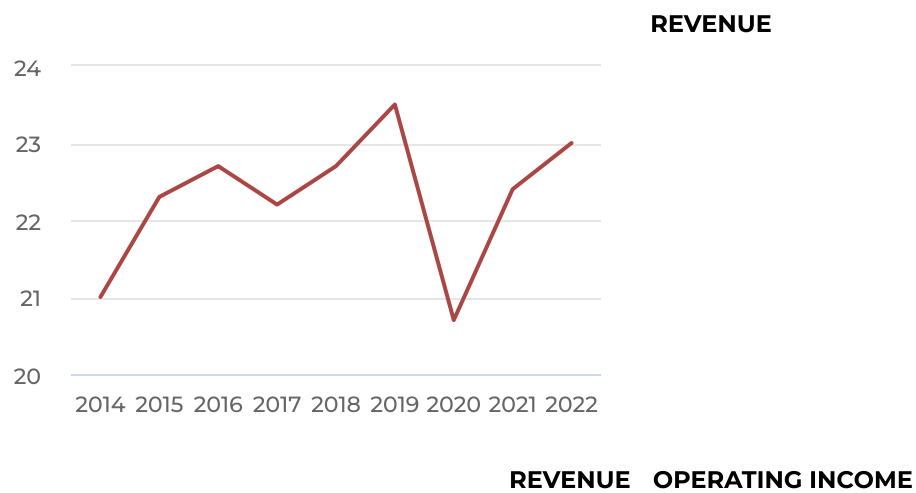
LOW LEVEL OF SPECIALIZATION CAN INCREASE COMPETITION

Lockers and other institutional furniture are largely standard and product differentiation within this space is difficult. As a result, Lyon must compete on

another basis, such as price, to secure revenue and market share. This can serve to constrain profit margin.

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2014	21		1	
2015	22	6	1	14
2016	23	2	1	0
2017	22	-2	1	0
2018	23	2	1	0
2019	24	4	1	0
2020	21	-12	1	-13
2021	22	8	1	14
2022	23	3	1	0

* Estimates



GASSER CHAIR COMPANY

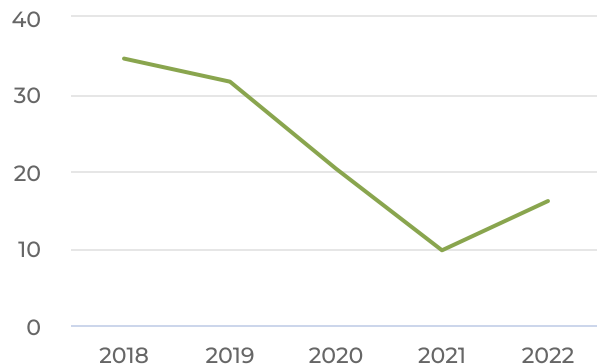
MARKET SHARE: 0.1 %

REVENUE: 16,092,540 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2018	35		1	
2019	32	-9	1	-8
2020	20	-36	1	-36
2021	10	-52	0	-57
2022	16	66	1	67

* Estimates

REVENUE



REVENUE OPERATING INCOME

CIF LAB SOLUTIONS LP

MARKET SHARE: 0.1 %

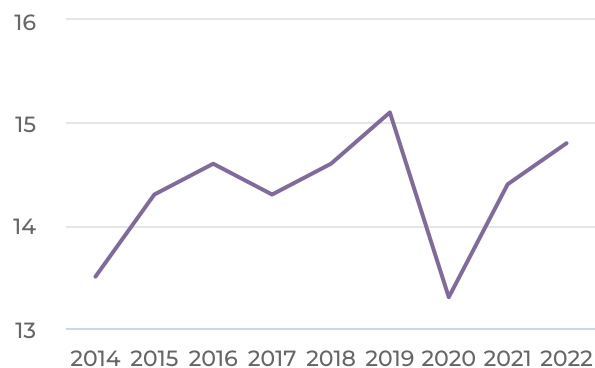
REVENUE: 14,790,620 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2014	14		1	
2015	14	6	1	0
2016	15	2	1	0
2017	14	-2	1	0
2018	15	2	1	0

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2019	15	3	1	0
2020	13	-12	1	0
2021	14	8	1	0
2022	15	3	1	0

* Estimates

REVENUE



REVENUE OPERATING INCOME

WB MANUFACTURING

SUB-BRAND: WB MANUFACTURING

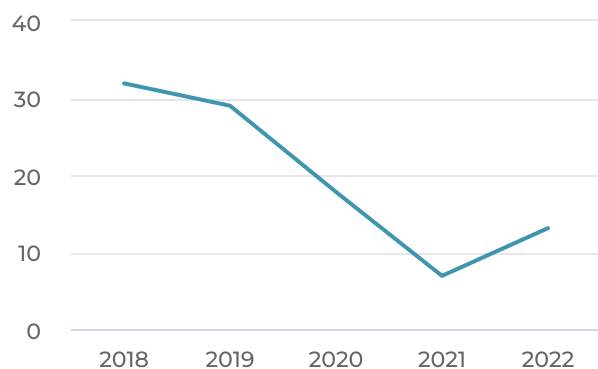
MARKET SHARE: 0.1 %

REVENUE: 13,075,190 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2018	32		1	
2019	29	-9	1	-9
2020	18	-39	1	-40
2021	7	-61	0	-67
2022	13	90	0	100

* Estimates

REVENUE

REVENUE OPERATING INCOME

HIGHLAND PRODUCTS GROUP LLC

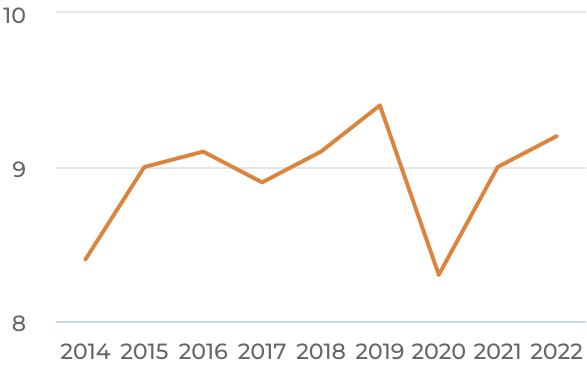
MARKET SHARE: 0 %

REVENUE: 9,244,140 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2014	8		0	
2015	9	7	0	0
2016	9	1	0	0
2017	9	-2	0	0
2018	9	2	0	0
2019	9	3	0	0
2020	8	-12	0	0
2021	9	8	0	0
2022	9	2	0	0

* Estimates

REVENUE



REVENUE OPERATING INCOME

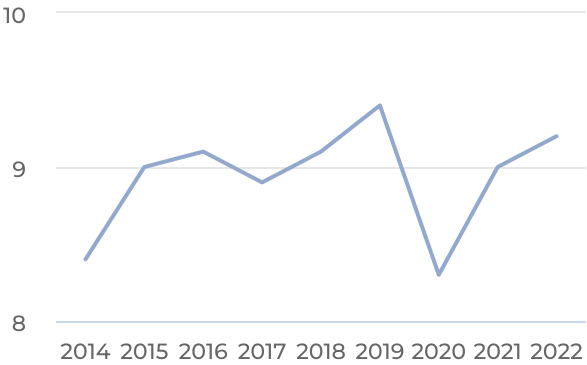
VOXELJET AG

MARKET SHARE: 0 %
REVENUE: 9,244,140 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2014	8		0	
2015	9	7	0	0
2016	9	1	0	0
2017	9	-2	0	0
2018	9	2	0	0
2019	9	3	0	0
2020	8	-12	0	0
2021	9	8	0	0
2022	9	2	0	0

* Estimates

REVENUE



REVENUE OPERATING INCOME

PLAYCORE INC.

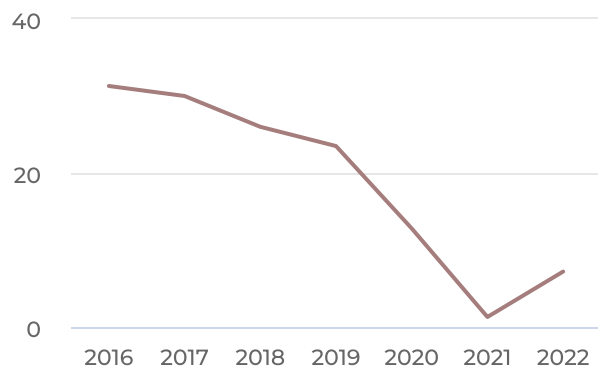
SUB-BRANDS: AQUAWORX, BIG TOYS, COLORADO TIME SYSTEMS, DERO, EVERLAST CLIMBING, FOUNTAIN PEOPLE, FREENOTES HARMONY PARK, FROG FURNISHINGS, GAMETIME, ICON SHELTER SYSTEMS, PLAY & PARK STRUCTURES, PLAYCRAFT SYSTEMS, PORTER CORP, POWER SYSTEMS, SPECTRUM AQUATICS, ULTRAPLAY, ULTRASITE, WATER ODYSSEY, WORLDS OF WOW

MARKET SHARE: 0 %
REVENUE: 7,241,640 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2016	31		1	
2017	30	-4	1	-9
2018	26	-13	1	-10
2019	24	-10	1	-11
2020	13	-46	0	-50
2021	1	-90	0	-100
2022	7	454	0	

* Estimates

REVENUE



REVENUE **OPERATING INCOME**

BK BARRIT

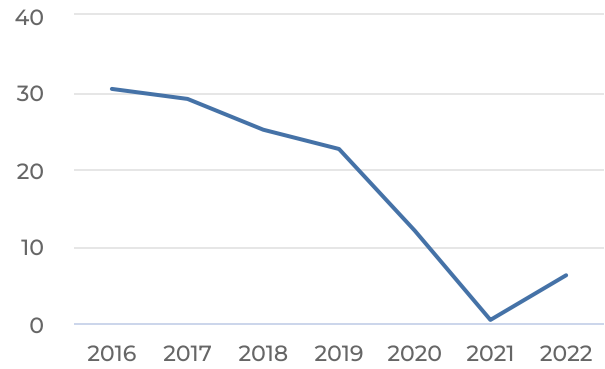
MARKET SHARE: 0 %

REVENUE: 6,235,860 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2016	30		1	
2017	29	-4	1	0
2018	25	-14	1	-10
2019	23	-10	1	-11
2020	12	-47	0	-50
2021	0	-97	0	-100
2022	6	1,450	0	

** Estimates*

REVENUE



REVENUE OPERATING INCOME

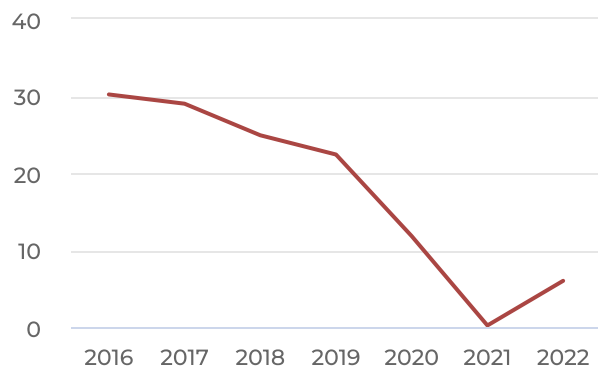
AMERICAN HOSPITALITY FURNITURE

MARKET SHARE: 0 %
REVENUE: 6,034,700 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2016	30		1	
2017	29	-4	1	0
2018	25	-14	1	-20
2019	22	-10	1	0
2020	12	-47	0	-50
2021	0	-98	0	-100
2022	6	2,900	0	

* Estimates

REVENUE



REVENUE OPERATING INCOME

AMERICAN TABLES & SEATING MFG. INC.

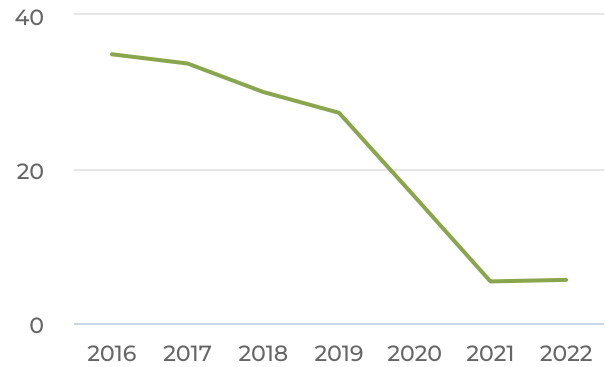
MARKET SHARE: 0 %

REVENUE: 5,632,390 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2016	35		1	
2017	34	-3	1	-8
2018	30	-11	1	-9
2019	27	-9	1	-10
2020	16	-40	1	-33
2021	5	-67	0	-67
2022	6	4	0	0

** Estimates*

REVENUE



REVENUE OPERATING INCOME

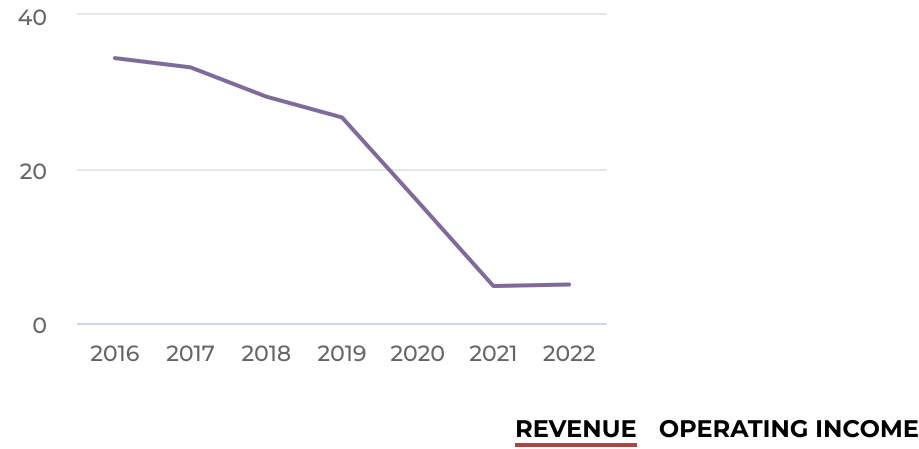
BEAUFURN, LLC

MARKET SHARE: 0 %
REVENUE: 5,028,920 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2016	34		1	
2017	33	-4	1	-8
2018	29	-11	1	-9
2019	27	-9	1	-10
2020	16	-41	1	-44
2021	5	-70	0	-60
2022	5	4	0	0

* Estimates

REVENUE



PSA LABORATORY FURNITURE LLC

MARKET SHARE: 0 %
REVENUE: 5,028,920 \$ million

FLEXIBLE IN OFFERING FLEXIBLE LABORATORY FURNITURE FOR LABS

PSA Laboratory Furniture has offered customers adjustable options when it comes to laboratory furniture. The company offers customers to adjust table height, make tables fixed or adjustable, and offer cabinets in wood and steel. The company is also offering fume hoods that comply with American with Disabilities Act (ADA) standards.

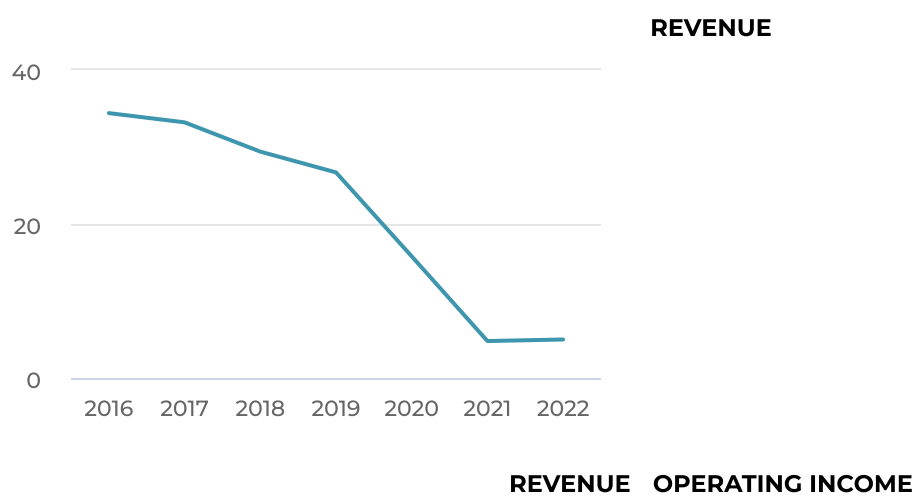
PSA LABORATORY FURNITURE LLC OFFERING CHEMICAL FUME HOODS

As part of the company's products, PSA Laboratory Furniture LLC (PSA) revealed that it's offering to sell fume hoods for laboratory settings that can protect people from chemicals and any harmful substances. The company offers a variety of fume hoods such as ones designed for thin walls, low bench, and airfoil bypass.

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2016	34		1	
2017	33	-4	1	-8
2018	29	-11	1	-9

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2019	27	-9	1	-10
2020	16	-41	1	-44
2021	5	-70	0	-60
2022	5	4	0	0

* Estimates



SELECTED FURNITURE LLC

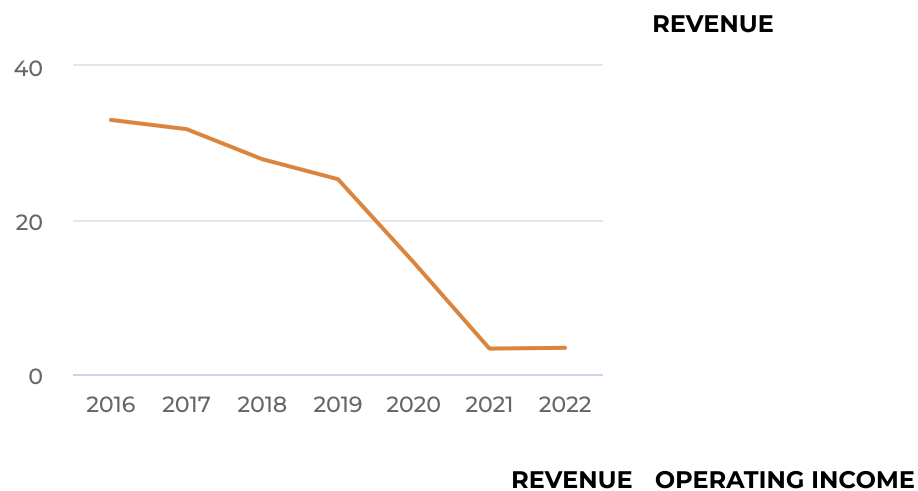
MARKET SHARE: 0 %

REVENUE: 3,419,670 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2016	33		1	
2017	32	-4	1	0
2018	28	-12	1	-18
2019	25	-9	1	0
2020	15	-43	1	-44
2021	3	-77	0	-80

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2022	3	3	0	0

* Estimates



HNI CORPORATION

SUB-BRANDS: ALLSTEEL, DANISH DESIGN STORE, DESIGN PUBLIC, FIRESIDE HEARTH & HOME, GUNLOCKE COMPANY LLC, HARMAN, HBF TEXTILES, HEAT & GLO, HEATILATOR, HNI INDIA, HON BASYX, LAMEX, MAJESTIC, MONESSEN, PELPRO, QUADRA-FIRE, RESPAWN, SIMPLIFIRE, STELLAR, VERMONT CASTINGS

MARKET SHARE: 0 %

REVENUE: 2,720,720 \$ million

HNI ANNOUNCES OPENING OF NEW FACILITY IN SALTILLO, MEXICO

In September 2021, HNI Corporation (HNI) announced it is opening a new office furniture manufacturing plant in Saltillo, Mexico. The company stated that the facility will provide additional capacity to meet HNIs growing customer demand for office season. The 160,000 square foot facility is expected to employ an additional 250 workers and will begin production in

the first quarter of 2022. HNI plans to continue to increase staffing levels at the Corporations other primary manufacturing locations in North America.

HNI RELEASES 2020 SOCIAL RESPONSIBILITY REPORT

HNI Corporation (HNI) reported notable accomplishments in their social responsibility report in 2020. These included, supporting local communities during COVID-19 through PPE donations, signing the CEO Action for Diversity and Inclusion pledge and launching HNI Belong, a broad-ranging initiative with strong diversity, equity and inclusion goals, becoming a signatory of the UN Global Compact and committing to supporting the Sustainable Development Goals. Additionally, the company is purchasing renewable electricity for 100.0% of its 2020 global electricity use and being recognized by the EPA Green Power Partnership as a National Top 100 green power user.

HNI RELEASES EARNINGS FOR FOURTH QUARTER AND FISCAL YEAR 2021

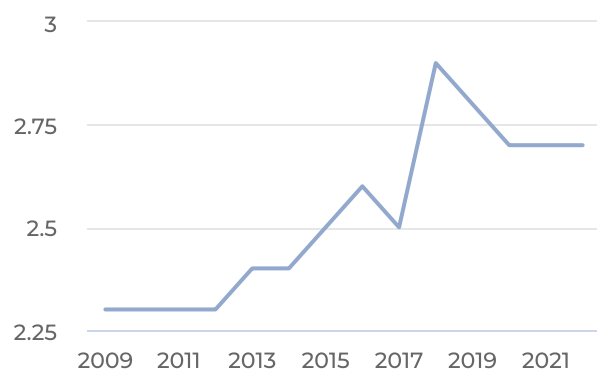
HNI Corporation (HNI) released their earnings for fourth quarter and fiscal year 2021 on February 28, 2022. In the release the company stated net income of \$59.8 million for the full year 2021. Additionally Q4 sales were up 7.0% compared to Q4 2020, totally \$602.9 million. The company stated that segment profitability in Workplace Furnishings declined in the fourth quarter primarily driven by unfavorable price cost. To drive long-term profitability the company is focusing on business simplification, price cost and labor capacity.

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2009	2		0	
2010	2	0	0	0
2011	2	0	0	0
2012	2	0	0	0
2013	2	4	0	0
2014	2	0	0	0
2015	3	4	0	0
2016	3	4	0	0

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2017	3	-4	0	0
2018	3	16	0	100
2019	3	-3	0	0
2020	3	-4	0	-50
2021	3	0	0	0
2022	3	0	0	0

* Estimates

REVENUE



REVENUE OPERATING INCOME

AMKO RESTAURANT FURNITURE INC.

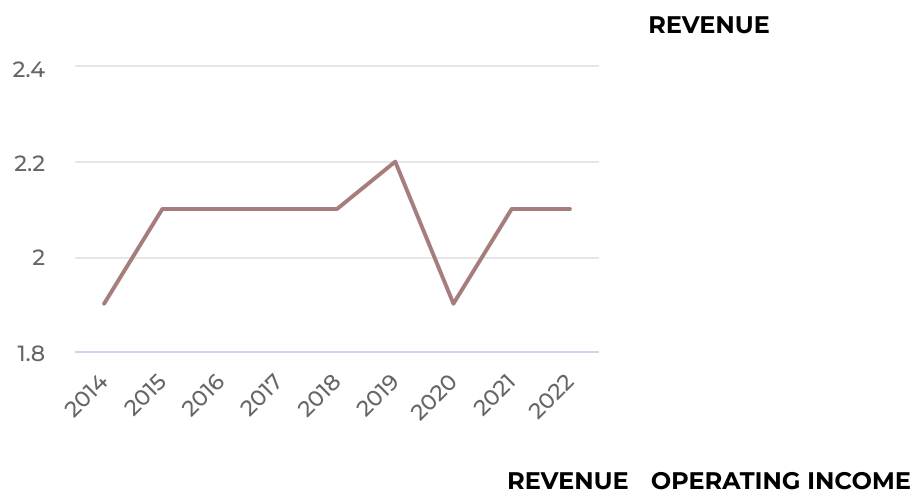
MARKET SHARE: 0 %

REVENUE: 2,134,010 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2014	2		0	
2015	2	11	0	0
2016	2	0	0	0
2017	2	0	0	0

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2018	2	0	0	0
2019	2	5	0	0
2020	2	-14	0	0
2021	2	11	0	0
2022	2	0	0	0

* Estimates



SANDLER SEATING INC.

MARKET SHARE: 0 %

REVENUE: 1,568,420 \$ million

SANDLER SEATING DESIGNER EXPRESSED CONCERN ABOUT THE FUTURE OF DESIGN

In a publicized interview with Sandler Seating designer Martin Ballendat, the 180-design award winning artist discussed his design process and philosophy: "Passion, Patience and Power!" Ballendat also feels that it is the personal responsibility of the designer to make products that can be produced economically and in an environmentally friendly way; many of his designs also reflect the natural bending of organic materials. Finally,

Ballendat is concerned about how the future of digitalized design will take away the human touch from creators, and that express care must be taken to not alienate the person from the final physical form.

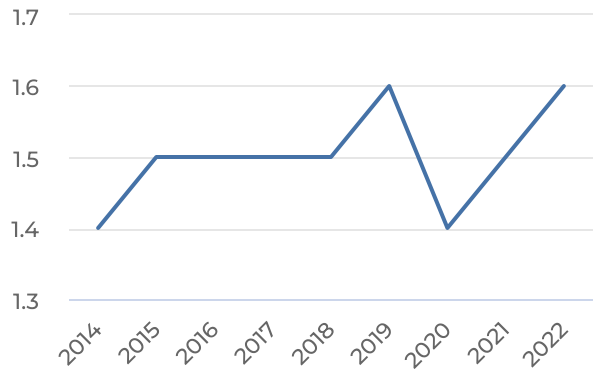
SANDLER SEATING HONORED WITH TWO AWARDS BY INTERIOR DESIGN MAGAZINE

The annual design awards by Interior Design Magazine celebrate spaces, pieces and people in design that excel in one of more than 100 categories. Of the 65 categories for individual products, the Plainia modular conference table was named an honoree in the Contract Conference Table category, while simple curved metal and cushion Inspec Sunny line took home an honoree award in the Contract Lounge Seating category in addition to its nomination earlier in the year at the HiP Awards in the Lounge Seating category.

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2014	1		0	
2015	2	7	0	
2016	2	0	0	0
2017	2	0	0	0
2018	2	0	0	0
2019	2	7	0	0
2020	1	-13	0	-100
2021	2	7	0	
2022	2	7	0	0

* Estimates

REVENUE



REVENUE OPERATING INCOME

KESTELL FURNITURE LLC

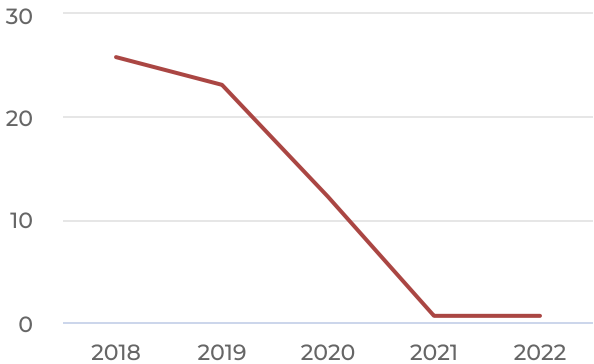
SUB-BRAND: KESTELL

MARKET SHARE: 0 %
REVENUE: 603,470 \$ million

YEAR	REVENUE \$ MILLION	GROWTH % CHANGE	OPERATING INCOME \$ MILLION	GROWTH % CHANGE
2018	26		1	
2019	23	-11	1	-11
2020	12	-47	0	-50
2021	1	-95	0	-100
2022	1	0	0	

* Estimates

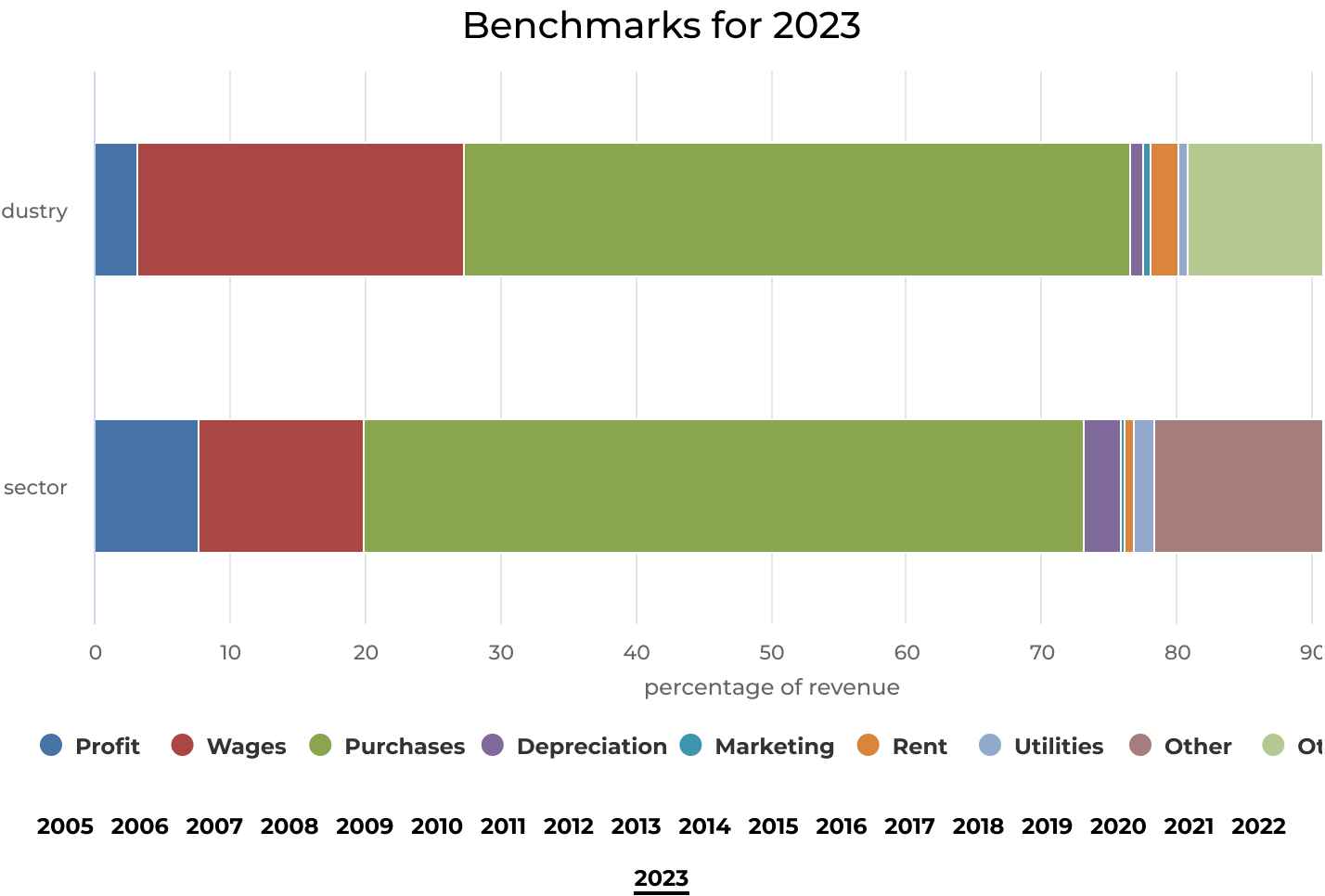
REVENUE



REVENUE OPERATING INCOME

Costs & Operations

COST STRUCTURE



PROFIT

PROFIT FALLS AMID HIGHER EXPENSES

The 2020 pandemic resulted in losses for manufacturers because of skyrocketing input prices, pushing more consumers toward more affordable imported pieces.

The housing market boomed following the initial hit of the pandemic, enabling profit to quickly recover from the 2020 losses.

A weaker residential market has negatively impacted furniture sales, as elevated inflation and uncertain economic conditions push consumers toward more affordable alternatives or postpone purchasing new furniture, causing profit to shrink over recent years.

PURCHASES

PURCHASE EXPENSES GROW AMID INPUT VOLATILITY

The price of sawmill lumber, a main input in furniture production, faced some volatility over recent years. Rising demand for residential construction and a lumber shortage resulted in jumping lumber prices in 2020 and 2021.

Similarly, demand for steel, another main input for furniture production, boomed during the same period, resulting in significantly higher prices and causing purchase expenses to grow.

Input prices have begun to fall. However, significant price increases caused revenue to fall, making purchase expenses account for a larger portion of revenue.

WAGES

THE INDUSTRY RELIES ON HUMAN LABOR, BOOSTING WAGES

Labor is needed to manage furniture assembly lines and perform quality control procedures, even if many aspects of production have become automated.

Manufacturers rely on labor for the design and craftsmanship skills needed to produce furniture, especially in classic designs that involve woodworking skills.

To compete with imports, domestic manufacturers focus on developing high-quality pieces. Designing and assembling these pieces is a more labor-intensive process, creating a need for higher wages.

OTHER

OTHER COSTS INCLUDE TRADE EXPENSES

Other expenses include research and development, repair and maintenance, insurance, freight and administrative costs.

Research and development often capture the largest portion of this expense, as many producers continually invest in design innovation to remain competitive.


As the industry is highly globalized, manufacturers must cover legal fees and other professional services associated with navigating trade regulations and applicable tariffs.

CAPITAL INTENSITY

 **LOW** capital intensity

Manufacturers rely heavily on human labor to produce and assemble furniture. Similarly, furniture producers need qualified workers to design components of the production process.

Low levels of innovation limit the threat to incumbent operators from new technologies disrupting their operations. However, a low rate of growth in technology can also create exposure for incumbents as the trajectory of innovation in other markets could lead to unforeseen competitive disadvantages.

 **MODERATE** technology change

UPHOLSTERED FURNITURE IS MOSTLY DOMESTIC

Upholstered furniture includes couches, recliners, futons and ottomans. This is the most popular segment as consumers often purchase multiple pieces to furnish their homes, generating more than half the revenue.

Upholstered pieces are bulky, which, in turn, results in higher shipping costs. Some manufacturers assemble upholstered furniture domestically, reducing import competition and enabling growth.

Upholstered furniture is expected to continue dominating the industry as these products are often considered to be necessities, enabling demand to grow alongside revenue.

INSTITUTIONAL FURNITURE FALLS AMID THE PANDEMIC

Institutional furniture includes furniture designed for schools, restaurants, theaters, churches and other public and commercial establishments. The segment also includes classroom desks and chairs, cafeteria tables, theater seating and dining booths.

The pandemic negatively impacted the nonresidential construction sector. During this time, students were required to take classes online and social distancing regulations prevented group gatherings. This harmed foot traffic at institutions, harming demand for new furniture.

Economic conditions have improved since the start of the pandemic, although the recovery has shown to be slow.

High levels of economic uncertainty prevent the segment from expanding, as recession fears deter new businesses from forming.

WOODEN FURNITURE IS EASY TO SHIP

The non-upholstered wood household furniture segment includes furniture like shelves, dressers, cabinets and other products made of hard materials.

These products are more affordable to ship as they can be assembled at their destination, resulting in prominent competition from foreign producers.

Many manufacturers opted to offshore the production of non-upholstered furniture, boosting imports and harming domestic producers.

The remaining domestic producers focus on high-end furniture as a competitive advantage over lower-cost imports.

METAL FURNITURE IS COMPETITIVE AMID AUTOMATION

Metal furniture includes wrought iron furniture, outdoor metal furniture, bed frames, stools, TV stands, tables and wardrobes.

Compared with wood, producing metal furniture is less labor intensive and can be manufactured more consistently in an automated production facility.

As metal furniture requires less human labor, domestic manufacturers can better compete with imports, preventing significant growth.


OTHER FURNITURE IS MADE OF OTHER MATERIALS

Other products include household furniture made of other materials, such as plastic, reed, rattan, wicker and fiberglass.

Manufacturers of other products commonly serve niche markets, supporting smaller furniture producers.

Uncertain economic conditions have caused the segment to fall. However, other furniture sales will expand as consumers grow confident in the future of the economy.

REVENUE VOLATILITY

 **MODERATE** revenue volatility

FLUCTUATIONS IN MACROECONOMIC FACTORS AFFECT SALES

Consumers purchase furniture when economic conditions are optimistic on the future of the economy. When economic conditions are poor, consumers are inclined to postpone large purchases, such as furniture, harming demand for manufacturers.

The domestic economy has been significantly volatile over recent years. More recently, elevated inflation and high interest rates have led to rising consumer uncertainty, discouraging consumers from purchasing new pieces.

Demand for new furniture has been impacted by changing consumer preferences and rising furniture prices, causing a growing number of consumers to opt for second-hand furniture, hindering growth.

RESIDENTIAL CONSTRUCTION ACTIVITY IMPACTS DEMAND

The residential construction sector boomed in 2021 as high disposable income and low interest rates incentivized the purchases of existing homes and the construction of new homes, pushing consumers to purchase new furniture.

In 2022, the Federal Reserve began raising interest rates, increasing the cost of borrowing and discouraging large purchases. Although interest rate hikes have stopped since then, the Fed announced its intentions to continue raising it if necessary to control inflation.

The rising cost of living has negatively impacted manufacturers. Falling disposable income in 2022, mainly driven by inflationary pressure, led to significant revenue losses as consumers prioritized necessities and postponed large purchases.

AN APPRECIATING DOLLAR HARMS DOMESTIC PRODUCERS

Imports play a major role within the industry, as foreign manufacturers satisfy more than 60.0% of domestic demand.

Various international conflicts, including the pandemic and the war in Ukraine, have led to the appreciation of the US dollar, making domestic furniture comparatively more affordable and boosting demand for imports.

Manufacturers based overseas benefit from lower operating costs, mainly driven by lower wage requirements and fewer regulations. Lower production costs enable foreign producers to offer more affordable furniture, boosting price competition and threatening domestic production.

REGULATION & POLICY

■ MODERATE regulation

■ STEADY regulation

CALIFORNIA FLAMMABILITY STANDARD FOR UPHOLSTERED FURNITURE

Upholstered furniture is commonly stuffed with polyurethane, which is known to accelerate residential fires and increase the risk of severe injury or death. In 1975, California required such furniture to undergo testing to ensure it could withstand exposure to an open flame without spreading the fire. Since then, California revised its testing regulations to require furniture only to withstand the equivalent of a smoldering cigarette. In 2021, the US government required imported upholstered furniture to be tested for flammability.

CONSUMER PRODUCT SAFETY COMMISSION (CPSC)

The CPSC administers regulations to mitigate chemical and structural hazards in furniture. The agency prohibits using paint containing high levels of lead or lead compounds on children's furniture. For furniture such as cribs and toddler beds, the CPSC promulgates standards to reduce the risk of these products leading to child injury. These standards cover the risk of entrapment between the guard rails of a crib, strangulation resulting from a child's clothing being caught on a product component and the structural integrity of the furniture itself.

CLEAN AIR ACT

The Clean Air Act requires compliance with air quality standards and empowers the Environmental Protection Agency to establish and enforce limits on the emission of pollutants. The act establishes regulations for sulfur and nitrogen oxides and strict requirements for ozone emissions and other toxic materials.

THE CLEAR WATER ACT AND THE RESOURCE CONSERVATION AND RECOVERY ACT

Under the Clean Water Act (CWA) and the Resource Conservation and Recovery Act (RCRA), manufacturers are responsible for following appropriate water and solid waste discharge procedures. They are also subject to specific provisions relating to airborne pollution emissions.

THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT

The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) regulate the release and remediation of hazardous substances. Manufacturers endure substantial monetary consequences when found in violation of environmental standards.

THE LACEY ACT

The Lacey Act is a federal law in the United States prohibiting the trade of wildlife, fish and plants illegally obtained, transported or sold. The law also makes importing plant or animal species that violate a foreign country's laws illegal. The law has been amended several times and is enforced by the US Fish and Wildlife Service and the Department of Justice. The Lacey Act requires documentation of imported lumber to ensure it was not harvested illegally.

INDUSTRY ASSISTANCE



LOW assistance



STEADY assistance

BUSINESS AND INSTITUTIONAL FURNITURE MANUFACTURERS ASSOCIATION (BIFMA)

The BIFMA is a non-profit trade organization representing commercial and institutional furniture manufacturers. The industry sets industry standards for quality, safety and sustainability and provides research and education to members and the public.

AMERICAN HOME FURNISHINGS ALLIANCE (AHFA)

The AHFA is a non-profit trade association representing furniture manufacturers and suppliers in the United States. The AHFA advocates for policies that promote industry growth and provide a favorable business environment for its members. It also offers resources and training to help companies improve their operations and works to promote safety and sustainability in the manufacturing and distribution of home furnishings.

Questions for Owners

How has your company adapted to recent international trade disruption from the coronavirus pandemic?

Sales & Marketing

Both industry imports and exports declined from the pandemic though as the economy rebounds, both are set to rebound as well.

Operators more heavily reliant on international markets are considered significantly more vulnerable to revenue volatility moving forward.

Are your company's sales heavily dependent on the health of the US economy? Has your company benefited from recent expansion in residential construction?

Sales & Marketing

Demand for household furniture is closely tied to the health of the housing market, making it very sensitive to economic cycles.

Residential construction has benefited from a large population of residents fleeing from highly urbanized areas amid the coronavirus pandemic, representing a recent growth opportunity.

Housing starts are expected to drop in 2023.

Has your company been exposed to volatile input prices over the past few years?

Strategy & Operations

Prices for metal and lumber, the two main inputs in household furniture, can be volatile due to shifts in demand from other markets, such as construction and other manufacturing industries.

Is your company investing heavily in R&D to meet changing consumer preferences?

Strategy & Operations

As younger consumers increasingly favor apartment living, furniture companies have been investing in new furniture designs to accommodate them such as ready-to-build sets.

Investing in both luxury and value product development can help mitigate direct competition from both domestic and international competitors.

Have you been able to reduce wage costs by automating operations over the past five years?

Technology

Much of the lower-end furniture manufactured within this industry has been offshored or supplanted by imports, leaving remaining production increasingly focused on high-end furniture and thus more labor intensive. Consequently, wages have increased as a component of industry costs.

How does your company invest in technology, such as 3D printing, to establish a competitive edge over your competitors?

Technology

Particularly given the extent of import penetration and high price-based competition, reducing production costs in this industry is paramount to keeping domestic manufacturing viable.

How does your company stay ahead of regulations such as energy-efficiency standards?

Compliance

Furniture production is not highly energy intensive and manufacturers are not expected to be impacted significantly by environmental regulations.

What effect have international tariffs had on your ability to import and export products?

Compliance

The industry has not been targeted specifically by recent tariffs, but any disruption in free trade pacts will hurt companies with global supply chains.

How does your company's profit margins compare to your main competitors?

Finance

Profit in this industry varies widely depending on the scale of a company and the type of furniture it produces.

Company-specific profit that is above or below industry average values often implies pricing power or weakness.

What challenges does your company experience financing its ongoing operations?

Finance

The industry has high fixed costs and sells fairly discretionary products, making it very vulnerable in economic downturns.

The industry has been particularly vulnerable to broader economic effects of the coronavirus pandemic.

How do you stay up to date with the latest design trends? How quickly are you able to bring trendy designs to the market?

Production of goods currently favored by the market

If the products are premium goods, then they should be of high quality; otherwise, the products should be perceived as offering value for money.

Value products often experience the most competition from import substitutes (such as ready-to-build furniture).

A greater consideration of shifting demographics (Millennials) and their economic considerations.

In which markets do your clients primarily operate? How can you expand your reach into other industries?

Contacts within key markets

Manufacturers need to establish links with numerous clients, including wholesalers, contractors and retail outlets. They should serve a variety of customers rather than have one or two that account for the majority of their business.

Do you have long-term supply contracts with input producers? How do you contend with fluctuations in input costs?

Guaranteed supply of key inputs

Established links with key suppliers assists a steady flow of key inputs and may provide cost savings for bulk purchases. This includes a steady flow of

high-quality, low-priced raw materials used in the production process.

Futures contracts for commodity inputs are often used to help stabilize production costs.

How has your revenue been affected by rising imports? How has your company adapted to decreased trade amid the coronavirus pandemic?

Import penetration into the manufacturing sector

Growth in the volume of imported household furniture has reduced the US market share of domestic furniture manufacturers. While the quality of imported products is often lower, these furnishings have become increasingly popular over domestic goods due to their lower prices.

Both imports and exports have decreased as a result of pandemic-related supply chain disruption.

Exports are set to drop in 2023 as the US TWI (trade-weighted index) is expands, making domestically produced goods (or US exports) comparatively more expensive.

Do you produce price-premium products? How has your company adapted to income fluctuation amid the coronavirus pandemic?

Per capita disposable income

Changes in household disposable income affect the industry, as household furniture is often considered a big-ticket discretionary purchase. During periods of low disposable income, consumers generally delay purchases of new furniture, repair existing furniture or opt for secondhand products.

Per capita disposable income is set to grow slightly in 2023 as the economy recovers from the pandemic.

How do you market your products to homebuyers? What types of furniture does this demographic demand the most?

Housing starts

The number of housing starts measures new, privately owned housing units that have begun construction in a given year. A rise in housing starts reflects a higher level of household formations and relocations, leading to an increase in demand for household furniture.

Housing starts are predicted to fall in 2023.

Datatables & Glossary

INDUSTRY DATA

YEAR	REVENUE \$ MILLION	IVA \$ MILLION	ESTABLISHMENTS UNITS	ENTERPRISES UNITS	EMPLOYMENT UNITS	EXPORTS \$ MILLION	IMPORTS \$ MILLION	WAGES \$ MILLION	DOMEST DEMAND \$ MILLION
2004	44,180	11,481	7,124	6,731	227,322	1,998	25,370	9,998	67,552
2005	44,518	11,185	6,884	6,538	219,054	2,198	27,246	9,495	69,566
2006	42,340	10,972	6,693	6,379	205,342	2,515	28,231	8,923	68,056
2007	43,030	10,247	6,634	6,364	192,625	2,668	28,091	8,320	68,454
2008	39,645	9,170	6,433	6,154	181,540	3,089	26,101	8,027	62,657
2009	29,616	7,104	5,412	5,227	141,970	3,092	21,765	6,181	48,288
2010	29,099	6,730	5,115	4,942	131,210	3,420	25,702	5,922	51,381
2011	28,437	6,825	4,914	4,754	125,272	3,709	25,436	5,737	50,164
2012	29,837	7,346	4,865	4,648	125,935	3,811	26,858	5,782	52,884
2013	29,556	7,190	4,543	4,384	124,582	3,943	28,317	5,736	53,931
2014	29,348	7,396	4,584	4,384	127,177	4,072	29,957	5,828	55,233
2015	30,895	7,580	4,436	4,241	128,269	3,990	32,980	6,005	59,884

YEAR	REVENUE \$ MILLION	IVA \$ MILLION	ESTABLISHMENTS UNITS	ENTERPRISES UNITS	EMPLOYMENT UNITS	EXPORTS \$ MILLION	IMPORTS \$ MILLION	WAGES \$ MILLION	DOMEST DEMAND \$ MILLION
2016	31,197	8,010	4,419	4,230	132,090	3,687	33,867	6,252	61,377
2017	30,141	7,521	4,126	3,961	129,281	3,621	36,411	6,079	62,931
2018	30,032	7,224	4,042	3,875	130,247	3,583	38,314	6,096	64,763
2019	27,605	6,959	4,000	3,834	127,823	3,346	35,357	5,959	59,616
2020	25,691	6,180	4,006	3,840	121,242	2,807	35,880	5,619	58,764
2021	26,253	7,054	4,088	3,918	128,102	3,009	43,261	5,921	66,505
2022	24,682	6,917	4,191	4,017	130,055	3,170	42,333	5,905	63,845
2023	23,511	6,655	4,092	3,929	125,805	3,140	42,219	5,694	62,590
2024	23,373	6,613	4,057	3,894	124,985	3,130	41,599	5,658	61,842
2025	23,820	6,711	4,082	3,916	126,469	3,240	40,344	5,733	60,924
2026	23,877	6,722	4,090	3,923	126,603	3,257	40,062	5,741	60,681
2027	24,016	6,754	4,108	3,939	127,136	3,296	39,570	5,767	60,290
2028	23,952	6,747	4,112	3,945	127,143	3,307	38,747	5,764	59,392
2029	24,113	6,783	4,126	3,957	127,711	3,349	38,289	5,793	59,053

*Future values are projections made by IBISWORLD.
Figures have been adjusted for inflation and are presented in 2023 currency.*

ANNUAL CHANGE

YEAR	REVENUE %	IVA %	ESTABLISHMENTS %	ENTERPRISES %	EMPLOYMENT %	EXPORTS %	IMPORTS %	WAGES %	DOMEST DEMAND %
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005	0.7659	-2.5722	-3.3689	-2.8674	-3.6372	10.0426	7.3958	-5.0278	2.9815
2006	-4.8936	-1.9113	-2.7746	-2.432	-6.2597	14.4119	3.6151	-6.0269	-2.1712
2007	1.631	-6.6067	-0.8816	-0.2352	-6.1931	6.0743	-0.4962	-6.7586	0.5844
2008	-7.8678	-10.5112	-3.0299	-3.2999	-5.7548	15.7695	-7.0853	-3.523	-8.4679
2009	-25.2976	-22.5326	-15.8713	-15.0634	-21.7969	0.1267	-16.6133	-22.9953	-22.9333

YEAR	REVENUE %	IVA %	ESTABLISHMENTS %	ENTERPRISES %	EMPLOYMENT %	EXPORTS %	IMPORTS %	WAGES %	DOMESTI DEMAND %
2010	-1.7433	-5.2605	-5.4879	-5.4525	-7.5791	10.5751	18.0887	-4.1911	6.4066
2011	-2.2771	1.4081	-3.9297	-3.8042	-4.5256	8.4613	-1.0328	-3.1266	-2.3694
2012	4.9253	7.6467	-0.9972	-2.2298	0.5292	2.7602	5.5898	0.7805	5.4223
2013	-0.943	-2.1324	-6.6188	-5.6799	-1.0744	3.4468	5.4335	-0.7947	1.979
2014	-0.704	2.8623	0.9024	0	2.0829	3.2881	5.7908	1.6117	2.4144
2015	5.2705	2.4888	-3.2287	-3.2619	0.8586	-2.0074	10.0915	3.0426	8.4219
2016	0.9777	5.6744	-0.3833	-0.2594	2.9788	-7.6137	2.689	4.1128	2.4926
2017	-3.3835	-6.1055	-6.6305	-6.3594	-2.1266	-1.7801	7.5104	-2.7667	2.5313
2018	-0.3635	-3.9521	-2.0359	-2.1712	0.7472	-1.0503	5.2288	0.276	2.9116
2019	-8.0811	-3.6574	-1.0391	-1.0581	-1.8611	-6.6199	-7.7186	-2.2535	-7.9475
2020	-6.9339	-11.2049	0.15	0.1564	-5.1486	-16.1106	1.4778	-5.7084	-1.43
2021	2.1871	14.1458	2.0469	2.0312	5.6581	7.1899	20.5725	5.3788	13.1738
2022	-5.9824	-1.9326	2.5195	2.5267	1.5245	5.3577	-2.1465	-0.2727	-4.0002
2023	-4.7455	-3.7962	-2.3623	-2.1907	-3.2679	-0.9336	-0.2677	-3.5631	-1.9657
2024	-0.5853	-0.6222	-0.8554	-0.8909	-0.6519	-0.3121	-1.4695	-0.6393	-1.1955
2025	1.9124	1.4742	0.6162	0.5649	1.1873	3.5011	-3.0177	1.3326	-1.4843
2026	0.2363	0.1668	0.1959	0.1787	0.1059	0.537	-0.6978	0.1325	-0.3983
2027	0.5846	0.479	0.44	0.4078	0.421	1.1757	-1.2284	0.4528	-0.6441
2028	-0.2665	-0.1096	0.0973	0.1523	0.0055	0.3307	-2.0809	-0.0486	-1.49
2029	0.6692	0.535	0.3404	0.3041	0.4467	1.2853	-1.18	0.4909	-0.5715

Future values are projections made by IBISWORLD.

KEY RATIOS

YEAR	IVA/ REVENUE %	IMPORTS/ DEMAND %	EXPORTS/ REVENUE %	REVENUE/ EMPLOYEE \$'000	WAGES/ REVENUE %	EMPLOYEES/ ESTABLISHMENT	WAGES/ EMPLOYEE \$
2004	26	38	5	194	23	32	43,982

YEAR	IVA/ REVENUE %	IMPORTS/ DEMAND %	EXPORTS/ REVENUE %	REVENUE/ EMPLOYEE \$'000	WAGES/ REVENUE %	EMPLOYEES/ ESTABLISHMENT	WAGES/ EMPLOYEE \$
2005	25	39	5	203	21	32	43,347
2006	26	41	6	206	21	31	43,454
2007	24	41	6	223	19	29	43,193
2008	23	42	8	218	20	28	44,215
2009	24	45	10	209	21	26	43,538
2010	23	50	12	222	20	26	45,134
2011	24	51	13	227	20	25	45,795
2012	25	51	13	237	19	26	45,910
2013	24	53	13	237	19	27	46,039
2014	25	54	14	231	20	28	45,827
2015	25	55	13	241	19	29	46,819
2016	26	55	12	236	20	30	47,335
2017	25	58	12	233	20	31	47,025
2018	24	59	12	231	20	32	46,805
2019	25	59	12	216	22	32	46,618
2020	24	61	11	212	22	30	46,343
2021	27	65	11	205	23	31	46,220
2022	28	66	13	190	24	31	45,402
2023	28	67	13	187	24	31	45,264
2024	28	67	13	187	24	31	45,269
2025	28	66	14	188	24	31	45,334
2026	28	66	14	189	24	31	45,346
2027	28	66	14	189	24	31	45,361
2028	28	65	14	188	24	31	45,336
2029	28	65	14	189	24	31	45,356

Future values are projections made by IBISWORLD.

FINANCIAL RATIOS

LIQUIDITY RATIOS	APR 10- MAR 11	APR 11- MAR 12	APR 12- MAR 13	APR 13- MAR 14	APR 14- MAR 15	APR 15- MAR 16	APR 16- MAR 17	APR 17- MAR 18	APR 18- MAR 19	APR 19- MAR 20
Current Ratio	1.7	1.7	1.8	1.8	2	1.8	1.8	1.9	1.8	1.8
Quick Ratio	0.8	0.7	0.8	0.9	0.8	0.8	0.9	1	0.8	0.8
Sales / Receivables (Trade Receivables Turnover)	10	10.1	10.8	10.9	12.1	11.3	11.2	10.7	11	11.4
Days' Receivables	36.5	36.1	33.8	33.5	30.2	32.3	32.6	34.1	33.2	32
Cost of Sales / Inventory (Inventory Turnover)	5.7	5.1	6	6	5.4	5.4	5.5	5.5	5.7	5.2
Days' Inventory	64	71.6	60.8	60.8	67.6	67.6	66.4	66.4	64	70.2
Cost of Sales / Payables (Payables Turnover)	14.4	14.1	15.4	15.2	15.2	15.8	16.3	17.5	15.7	15.6
Days' Payables	25.3	25.9	23.7	24	24	23.1	22.4	20.9	23.2	23.4
Sales / Working Capital	9.5	9.7	9.1	8.4	8.6	8.8	9.2	7.7	8.3	8.4
COVERAGE RATIOS	APR 10- MAR 11	APR 11- MAR 12	APR 12- MAR 13	APR 13- MAR 14	APR 14- MAR 15	APR 15- MAR 16	APR 16- MAR 17	APR 17- MAR 18	APR 18- MAR 19	APR 19- MAR 20
Earnings Before Interest & Taxes (EBIT) / Interest	2.8	3	5.4	5	7.2	6.9	7.3	8.7	5.8	5.6
Net Profit + Dep., Depletion, Amort. / Current Maturities LT Debt	2.3	2.4	3.4	3.7	4.1	3.5	6	3.6	2.9	3
LEVERAGE RATIOS	APR 10- MAR 11	APR 11- MAR 12	APR 12- MAR 13	APR 13- MAR 14	APR 14- MAR 15	APR 15- MAR 16	APR 16- MAR 17	APR 17- MAR 18	APR 18- MAR 19	APR 19- MAR 20
Fixed Assets / Net Worth	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.5	0.4
Debt / Net Worth	1.4	1.9	1.6	1.5	1.3	1.4	1.5	1.4	1.8	1.5
Tangible Net Worth	29.8	21	29.8	33.8	33.9	34.7	31.9	31.9	26.3	32.7

OPERATING RATIOS	APR 10- MAR 11	APR 11- MAR 12	APR 12- MAR 13	APR 13- MAR 14	APR 14- MAR 15	APR 15- MAR 16	APR 16- MAR 17	APR 17- MAR 18	APR 18- MAR 19	APR 19- MAR 20
Profit before Taxes / Net Worth, %	12.6	16.3	18.4	15.4	21.9	24	28.5	23.6	18.4	18.6
Profit before Taxes / Total Assets, %	4.6	4.5	7.7	6.3	8.6	7.4	9.9	8.2	6.1	6.5
Sales / Net Fixed Assets	13.9	16.8	16.1	16.8	19.5	18.1	19.2	19.5	17	17.9
Sales / Total Assets (Asset Turnover)	2.2	2.2	2.4	2.3	2.6	2.4	2.6	2.5	2.3	2.3
CASH FLOW & DEBT SERVICE RATIOS (% OF SALES)	APR 10- MAR 11	APR 11- MAR 12	APR 12- MAR 13	APR 13- MAR 14	APR 14- MAR 15	APR 15- MAR 16	APR 16- MAR 17	APR 17- MAR 18	APR 18- MAR 19	APR 19- MAR 20
Cash from Trading	25.5	29	28	27	27.1	27	27.9	30.4	29.2	29.5
Cash after Operations	2.2	3.2	3.9	3.8	3	3.9	5.7	4.4	3.2	4.6
Net Cash after Operations	2	3.2	4.2	3.8	3.4	4.1	5.9	4.2	2.8	4.6
Cash after Debt Amortization	-0.9	0.1	1	0.8	0.6	1.2	2	0.7	-0.2	1
Debt Service P&I Coverage	0.8	1.5	2.7	2.2	2.4	2.9	4.2	2.8	1.7	3.2
Interest Coverage (Operating Cash)	2	3.5	5.2	4.6	4	7.1	10.6	7.8	3.1	6.6
ASSETS, %	APR 10- MAR 11	APR 11- MAR 12	APR 12- MAR 13	APR 13- MAR 14	APR 14- MAR 15	APR 15- MAR 16	APR 16- MAR 17	APR 17- MAR 18	APR 18- MAR 19	APR 19- MAR 20
Cash & Equivalents	8.1	8.9	9.7	9	9.2	8.9	10.1	11.1	10.6	9.8
Trade Receivables (net)	24.3	23.2	23.1	23.3	22.9	23.5	23.7	24	23.2	22.6
Inventory	31.1	32.4	32.6	33.4	35.8	35.3	34.7	33.1	32.4	33.3
All Other Current Assets	3.4	2.2	2.9	2.4	2.8	2.4	2.1	2.4	2.4	2.9
Total Current Assets	66.8	66.7	68.3	68.1	70.7	70.1	70.6	70.6	68.6	68.6
Fixed Assets (net)	20.8	19	20	19.6	18.6	17.8	17	17.5	17.6	19.8

ASSETS, %	APR 10- MAR 11	APR 11- MAR 12	APR 12- MAR 13	APR 13- MAR 14	APR 14- MAR 15	APR 15- MAR 16	APR 16- MAR 17	APR 17- MAR 18	APR 18- MAR 19	APR 19- MAR 20
Intangibles (net)	4.7	7.3	4.5	4.2	4.1	4.8	5.9	5.5	6.9	5.6
All Other Non-Current Assets	7.7	7	7.1	8.1	6.7	7.4	6.5	6.4	6.9	6.1
Total Assets	100	100	100	100	100	100	100	100	100	100
Total Assets (\$m)	6057.6	5366.7	6600.1	5719.3	6048.9	6915.3	6423.3	5945.1	5707.1	4494.8
LIABILITIES, %	APR 10- MAR 11	APR 11- MAR 12	APR 12- MAR 13	APR 13- MAR 14	APR 14- MAR 15	APR 15- MAR 16	APR 16- MAR 17	APR 17- MAR 18	APR 18- MAR 19	APR 19- MAR 20
Notes Payable-Short Term	11.2	13.2	11.9	9.4	10.2	12	10.6	8.1	10.8	11.4
Current Maturities L/T/D	3.7	3.6	2.9	1.8	1.8	2	2	1.9	1.8	2.3
Trade Payables	15	14	13.8	15.3	14.2	15.2	14.6	14.1	14.2	14.7
Income Taxes Payable	0.2	0.2	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1
All Other Current Liabilities	12.1	18.8	17.1	13.4	15.7	12.1	14.6	14.9	14.1	13.4
Total Current Liabilities	42.2	49.8	45.8	40.1	42.1	41.4	42	38.9	40.9	41.9
Long Term Debt	16.4	13.5	11.7	13.6	10.3	12.5	12.1	12.2	15.2	12
Deferred Taxes	0.2	0.2	0.2	0.3	0.3	0.2	0.3	0.2	0.1	0.1
All Other Non-Current Liabilities	6.6	8.3	7.9	8	9.3	6.4	7.8	11.3	10.7	7.7
Net Worth	34.5	28.3	34.3	38	38	39.5	37.8	37.4	33.2	38.3
Total Liabilities & Net Worth (\$m)	6057.6	5366.7	6600.1	5719.3	6048.9	6915.3	6423.3	5945.1	5707.1	4494.8
	APR 10- MAR 11	APR 11- MAR 12	APR 12- MAR 13	APR 13- MAR 14	APR 14- MAR 15	APR 15- MAR 16	APR 16- MAR 17	APR 17- MAR 18	APR 18- MAR 19	APR 19- MAR 20
Maximum No. of Statements Used	276	261	283	222	248	265	242	219	209	158

GLOSSARY

BARRIERS TO ENTRY

High barriers to entry mean that new companies struggle to enter an industry, while low barriers mean it is easy for new companies to enter an industry.

CAPITAL INTENSITY

Compares the amount of money spent on capital (plant, machinery and equipment) with that spent on labor. IBISWorld uses the ratio of depreciation to wages as a proxy for capital intensity. High capital intensity is more than \$0.333 of capital to \$1 of labor; medium is \$0.125 to \$0.333 of capital to \$1 of labor; low is less than \$0.125 of capital for every \$1 of labor.

CONSTANT PRICES

The dollar figures in the Key Statistics table, including forecasts, are adjusted for inflation using the current year (i.e. year published) as the base year. This removes the impact of changes in the purchasing power of the dollar, leaving only the "real" growth or decline in industry metrics. The inflation adjustments in IBISWorld's reports are made using the US Bureau of Economic Analysis' implicit GDP price deflator.

DOMESTIC DEMAND

Spending on industry goods and services within the United States, regardless of their country of origin. It is derived by adding imports to industry revenue, and then subtracting exports.

EMPLOYMENT

The number of permanent, part-time, temporary and seasonal employees, working proprietors, partners, managers and executives within the industry.

ENTERPRISE

A division that is separately managed and keeps management accounts. Each enterprise consists of one or more establishments that are under common ownership or control.

ESTABLISHMENT

The smallest type of accounting unit within an enterprise, an establishment is a single physical location where business is conducted or where services or industrial operations are performed. Multiple establishments under common control make up an enterprise.

EXPORTS

Total value of industry goods and services sold by US companies to customers abroad.

IMPORTS

Total value of industry goods and services brought in from foreign countries to be sold in the United States.

INDUSTRY CONCENTRATION

An indicator of the dominance of the top four players in an industry. Concentration is considered high if the top players account for more than 70% of industry revenue. Medium is 40% to 70% of industry revenue. Low is less than 40%.

INDUSTRY REVENUE

The total sales of industry goods and services (exclusive of excise and sales tax); subsidies on production; all other operating income from outside the firm (such as commission income, repair and service income, and rent, leasing and hiring income); and capital work done by rental or lease. Receipts from interest royalties, dividends and the sale of fixed tangible assets are excluded.

INDUSTRY VALUE ADDED (IVA)

The market value of goods and services produced by the industry minus the cost of goods and services used in production. IVA is also described as the industry's contribution to GDP, or profit plus wages and depreciation.

INTERNATIONAL TRADE

The level of international trade is determined by ratios of exports to revenue and imports to domestic demand. For exports/revenue: low is less than 5%, medium is 5% to 20%, and high is more than 20%. Imports/domestic demand: low is less than 5%, medium is 5% to 35%, and high is more than 35%.

LIFE CYCLE

All industries go through periods of growth, maturity and decline. IBISWorld determines an industry's life cycle by considering its growth rate (measured by IVA) compared with GDP; the growth rate of the number of establishments; the amount of change the industry's products are undergoing; the rate of technological change; and the level of customer acceptance of industry products and services.

NONEMPLOYING ESTABLISHMENT

Businesses with no paid employment or payroll, also known as nonemployers. These are mostly set up by self-employed individuals.

PROFIT

IBISWorld uses earnings before interest and tax (EBIT) as an indicator of a company's profitability. It is calculated as revenue minus expenses, excluding interest and tax.

REGIONS

West | CA, NV, OR, WA, HI, AK

Great Lakes | OH, IN, IL, WI, MI

Mid-Atlantic | NY, NJ, PA, DE, MD

New England | ME, NH, VT, MA, CT, RI

Plains | MN, IA, MO, KS, NE, SD, ND

Rocky Mountains | CO, UT, WY, ID, MT

Southeast | VA, WV, KY, TN, AR, LA, MS, AL, GA, FL, SC, NC

Southwest | OK, TX, NM, AZ

VOLATILITY

The level of volatility is determined by averaging the absolute change in revenue in each of the past five years. Volatility levels: very high is more than

WAGES

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