



Company	Ticker	Sector	Industry
Williams-Sonoma, Inc.	WSM-US	Consumer Discretionary	Specialty Retail

Business Description

Williams-Sonoma, Inc. engages in the retailing of home products. It operates through the following segments: Williams Sonoma, Pottery Barn, Pottery Barn Kids and Teen, West Elm, and Other. Namesake Williams-Sonoma (195 stores) offers high-end cooking essentials, while Pottery Barn (195) provides casual home accessories. Brand extensions include Pottery Barn Kids (57) and PBteen. West Elm (121) is an emerging, fast-growing concept for young professionals. The Other segment includes revenues from international franchise operations, Rejuvenation (lighting and house parts, 10 stores), and Mark and Graham. Williams-Sonoma also has a business-to-business team that supports projects that range from residential to large-scale commercial. With a wide retail and direct-to-consumer presence, Williams-Sonoma is a leader in the \$112 billion domestic home furnishings category. The company was founded by Charles E. Williams in 1956 and is headquartered in San Francisco, CA.

Price Chart

Key Info & Metrics



Empirical Research Rank:	3
Date Purchased:	08/07/2020
Price:	\$133.74
52-Week Range:	\$105.47 - \$168.87
Dividend Yield:	2.33%
Market Cap (\$M):	\$8,903
Forward Price-to-Earnings:	9

Total Return

Year-to-Date:	17.1%
1 Year:	-15.4%
3 Year:	100.7%
5 Year:	192.5%

Investment Case - Updated: November 6, 2022

Williams-Sonoma has undergone a successful transition from a home furnishing retailer with a majority of sales generated at the physical store into an omni-channel company that can compete with eCommerce retailers such as Amazon and Wayfair. After a period of price competition, the company is focused on expanding margins by closing underperforming stores and reducing the level of promotions. In addition, Williams-Sonoma is adding high-margin sales such as consulting services, which often lead to larger transactions by the customer. COVID-19 also served as a huge boost to sales as consumers accelerated investments in their home. The company saw a record number of new loyalty members in the last year. The loyalty program encourages repeat purchases, allowing the company to leverage its broad portfolio of brands, including West Elm and Pottery Barn. Williams-Sonoma has a strong balance sheet and raised its dividend by over 20 percent in the last year.

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