

MANN, ARMISTEAD & EPPERSON, LTD.  
INVESTMENT BANKERS and ADVISORS

# UPHOLSTERY REPORT

Why Investors Should Consider the  
Upholstered Furniture Industry

September 2024

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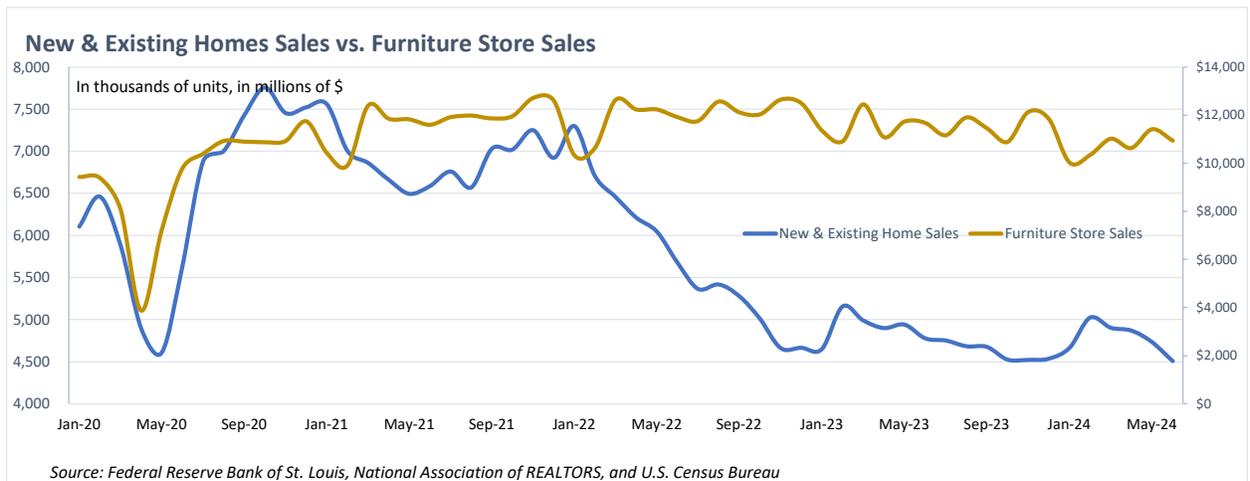
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## Section I: A Snapshot of the Furniture Industry

The current state of the home furnishings market has been unpredictable and unprecedented. The industry has faced major headwinds over the past year where inflation, rising interest and mortgage rates have made getting the essentials difficult for the average consumer, to say the least, let alone buying a car, house, or even a new sofa.

Housing, which is closely tied to the home furnishings industry, has seen a considerable slowdown after the post-pandemic buying boom. Fewer home sales essentially equal fewer home projects.



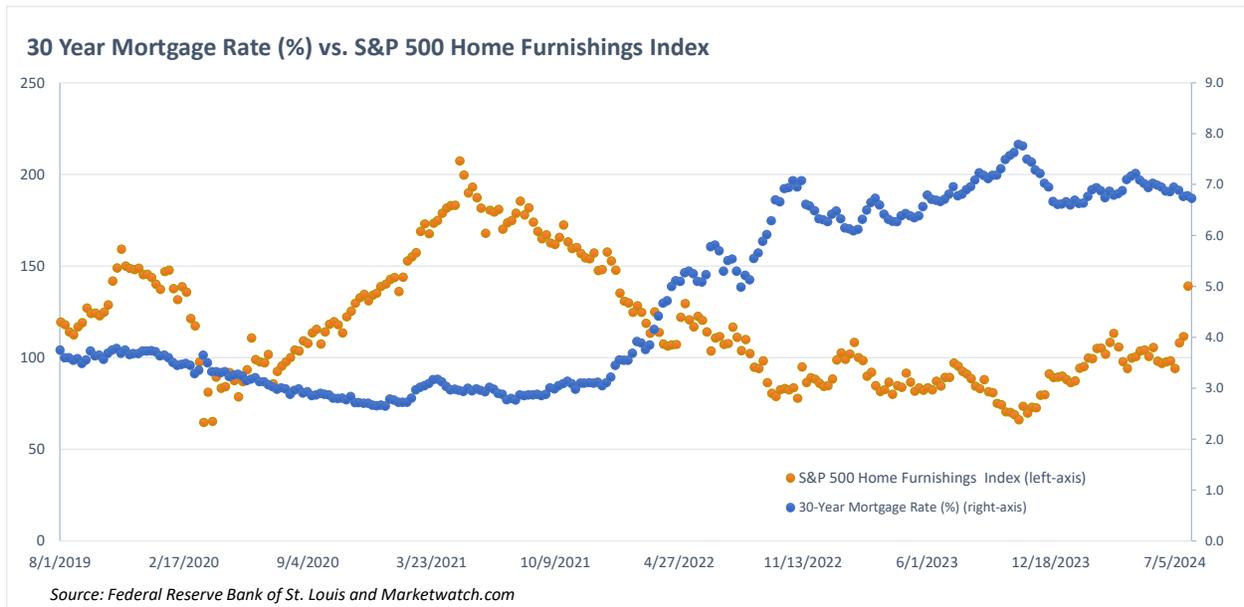
During the pandemic while people were essentially “stuck” at home with low interest rates and free government money in the forms of stimulus checks, led to an increase in home projects. Adding to that the the previously mentioned home buying boom led to the “COVID-bump”.

Monthly sales of furniture and home furnishings stores in the U.S. climbed by more than 200% year-over-year in April 2021, and kept increasing until the end of the pandemic. But that quickly came to an end when the pandemic ended and the Federal Reserve hiked rates in March of 2022 popping the demand for both homes and home furnishings.



**Home Furnishings Retailers**

Home furnishings retailers have yet to recover from the post-pandemic decline. Many public companies from low to high end markets have reported declines in quarterly revenues as higher mortgage rates and lower home sales continue to weigh on demand for big-ticket furniture and home improvement projects.



Notice the inverse relationship that mortgage rates have had on the home furnishings industry.

## Section II: The Upholstered Furniture Segment

### Global Market

The Global Upholstered Furniture Market size was valued at \$54.76 billion in 2023 and is predicted to reach \$82.77 billion by 2031, a constant average growth rate of 5.3% from 2024-2031. (source: *Verified Market Research*)

Among the global furniture industry, upholstered furniture is one of the fastest growing segments. Growth of the upholstered furniture market is driven by several factors such as increased import and export of luxury & comfortable furniture among the countries, need of less capital investment for an upholstered furniture factory and explosion of e-commerce or online shopping industry.

In addition, the government of various developing and developed countries are also investing in infrastructure development to enable the economic development of the nation. Which in turn is further fueling the market growth.

For instance, China has formulated their *14th Five-Year Plan (2021-2025) for National Economic and Social Development of the People's Republic of China*, a well-calibrated layout for the development of new infrastructure to boost domestic demand, economic transformation, and growth sustainability. The country has also planned \$30 billion investment in Tibet to ramp up the infrastructure in next five years. Such infrastructure development plans are projected to create lucrative growth opportunities for the upholstered furniture market in the future. (*Businesswire.com*)



### Trends in the Global Upholstered Furniture Market

**Sustainability and Eco-friendly Materials:** There is a growing emphasis on sustainability, consumers have become more aware of the environmental impact of their purchases. This has led to increased interest furniture made from eco-friendly materials like recycled fabrics, organic textiles, sustainably sourced or reclaimed wood and chairs with recycled materials. Companies are also focusing on reducing their carbon footprints.



**Ethical Production Practices:** As consumers become more conscious of corporate social responsibility, they are increasingly looking for furniture companies that uphold ethical production practices. This includes fair labor practices, reduced carbon footprints, and transparency in sourcing materials. Manufacturers are exploring alternative materials, such as bamboo, reclaimed wood, and recycled plastics, to create environmentally responsible furniture solutions. Offering sustainable products aligns with consumer preferences and positions furniture brands as socially responsible and environmentally conscious.

**Technological Integration:** Smart furniture is becoming more popular, with features such as built-in USB ports, speakers, wireless charging, and can even take voice commands. This trend is particularly evident in regions with tech-savvy consumers.

**Luxury and Premium Segments:** The demand for luxury upholstered furniture is growing, especially in regions with a high concentration of wealthy consumers. These products are often characterized by premium materials, superior craftsmanship, and exclusive designs.



## Imports

Globalization is so imbedded in our lives; it is challenging to remember when most of our consumer purchases were made in America.

For much of the 1970's, imported residential furniture was less than 10% of all furniture consumed. Most of it came from neighboring Canada and Mexico, Northern Europe, primarily Denmark, Italy and traces from southwest Asia (Taiwan, Philippines and Burma). China did not open to foreign trade until the late 1980's.

We believe that today almost 90% of wooden furniture, 92% of metal and other furniture and 30% of mattresses sold in the United States are imported.

Regarding upholstered furniture, it is a complex issue. Upholstered furniture began its serious import growth in the late 1990's and its first products were leather, thought to be more durable and less subject to mold, insects, temperature issues, etc. in containers than fabric upholstery. Asia already had a large footprint with U.S. furniture retailers and as an OEM manufacturer with its wood and metal furniture. In addition, China had gained a leadership position in leather production and products like apparel, shoes, pocketbooks and wallets, and other related products.

### Upholstered Household Furniture Imports

USD millions	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	CAGR
Total Imports	\$5,110	\$5,819	\$6,189	\$6,998	\$7,558	\$7,034	\$7,162	\$9,911	\$9,446	\$7,685	4.6%
China	\$3,835	\$4,344	\$4,524	\$4,970	\$5,263	\$3,960	\$3,296	\$4,229	\$3,795	\$2,754	(3.6%)
Vietnam	299	364	469	700	848	1,483	2,255	3,159	2,697	2,455	26.4%
Mexico	282	339	370	401	445	472	440	803	993	882	13.5%
Italy	156	165	168	190	202	219	214	349	423	352	9.5%
Canada	170	190	229	225	228	240	211	260	307	301	6.5%

Source: USITC

Note: these top 5 countries accounted for approximately 90% of all imports for the past decade.

Around 2000 upholstered fabric furniture from China began to show up at retail. From 1999 to 2005, we understand that China installed more new upholstery fabric machines (looms) than were available anywhere else and quickly dominated this segment of the suppliers to the global upholstery industry. This dominance continues today and helps explain why China is the largest upholstered furniture manufacturer supplying the U.S.

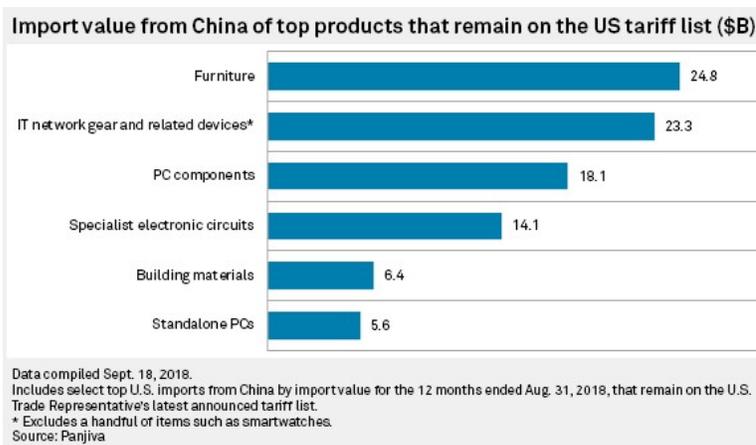


However, we would be remiss if we did not mention Vietnam. While imports have been declining from China in the past few years Vietnam has exploded. Since 2019, imports from China fell (30.5%) while Vietnam’s rocketed up 65.5%. Over the past decade, Vietnam has grown at an average rate of 26.4% while China had dropped by (3.6%).

**Tariffs**

Vietnam’s rise to being the second top exporter to the U.S. of all household furniture (and second in upholstered) in 2023 came from the country’s swift industrialization, growth of a skilled workforce and strengthening infrastructure. However, it has also been heavily aided by the trade war between the United States and China.

The U.S.-China trade war began in mid-2018 when the Trump administration hit China with a steep tariff (up to 25%) on Chinese imports, which was then reimposed under the Biden administration, intended to spur the return of factory jobs to the United States. China then retaliated by raising duties on U.S. products.



It is estimated that around 60-70% of all furniture imported into the U.S. was impacted by the tariffs. While there were a few exceptions such as “upholstered seating and furniture made of high-pressure laminated bamboo” most upholstered furniture (category includes sofas, couches, chairs, and other furniture pieces covered with fabric, leather, or other materials) incurred a 25% tariff, significantly affecting the cost in the U.S.

The tariffs on Chinese goods have pressured manufacturers and retailers to reduce their dependence on China and shift to other countries like Vietnam, Mexico, and India.

## Supply Chain Issues

With more people spending time at home during the pandemic, there was a significant increase in demand experienced by the furnishings industry. Consumers were invested in making their spaces more comfortable and livable. This sudden spike in demand outpaced the industry's ability to respond.

### Material Shortages

Raw materials shortages have also played a significant role. The furniture industry relies heavily on materials like lumber and foam. However, sourcing these materials has become increasingly challenging due to the increased demand and production shutdowns. Similarly, foam, which is essential for upholstered furniture, has been in short supply due to disruptions in chemical production.

### Labor Issues

There has been an issue with labor shortages, especially for domestic manufacturers affecting the industry. Many of the experienced and skilled craftspeople that manufacturers relied upon for many years just retired and never returned after the pandemic. Finding and growing new qualified production staff has been a slow process.



### Shipping and Logistical Issues

And even if the furniture could be made with the with the acquired wood and foam by a veteran craftsman there was then the issue of getting the products where they needed to go. Major ports faced congestion due to increased shipping volumes and labor issues which led to delays in unloading and processing shipments. Currently, disputes over contract negotiations of 85,000 unionized dockworkers (set to expire Oct. 1st) are growing threats of an East Coast port strike.



On top of that, the cost of shipping containers skyrocketed since the pandemic, adding to the overall cost of importing materials and finished furniture. As of August 22, 2024 average rates from Shanghai to Los Angeles are \$6,401, while Shanghai to New York sits at \$8,811, That is an increase of 185.8% and 157.3%, respectively, from the same time last year.

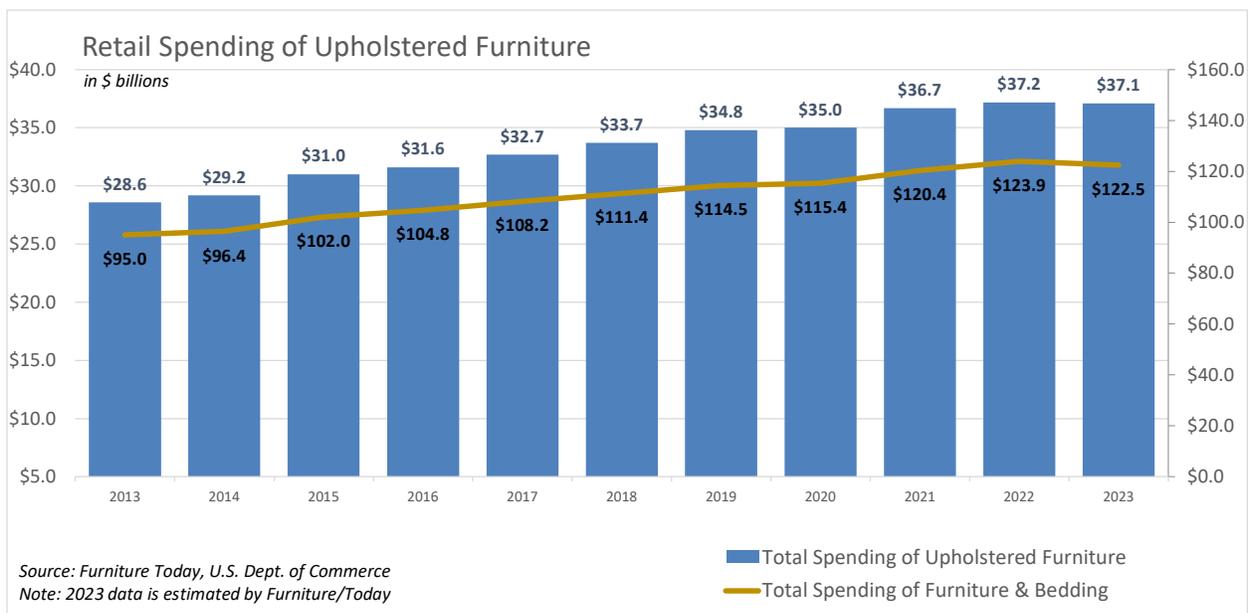
These factors combined to create a perfect storm of supply chain challenges for the upholstered furniture industry, affecting everything from production to delivery.

## Domestic Market

The domestic upholstered furniture market has seen steady growth driven by several factors:

**Changing Consumer Preferences:** There is a trend towards personalized and customized furniture, with consumers increasingly looking for pieces that reflect their style and meet specific comfort needs. The newer generations are less inclined to add furniture pieces from their grandparents or even their own parents into their home. This has led to a rise in demand for a wide variety of upholstered furniture designs, materials, and colors.

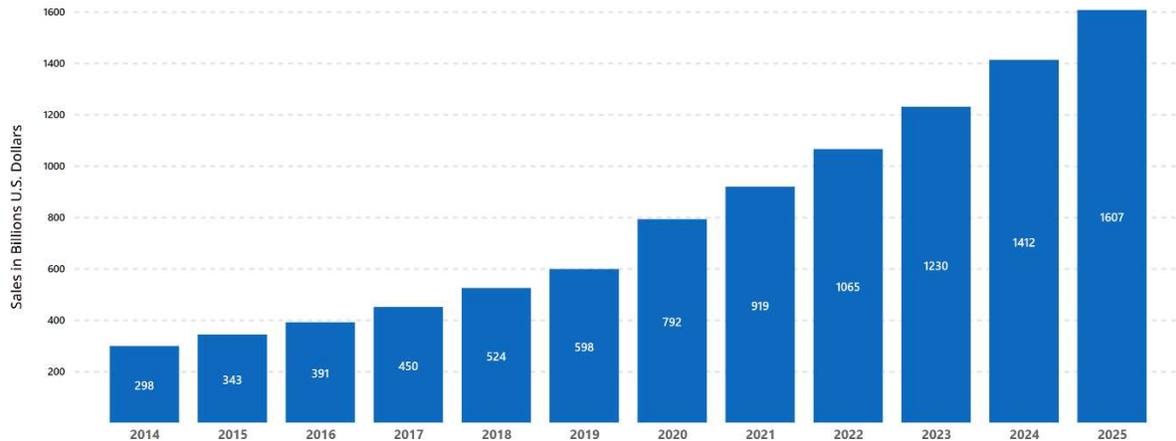
**Economic Growth and Rising Disposable Income:** In many regions, economic growth has led to higher disposable incomes, allowing consumers to spend more on home furnishings, including high-quality and luxury upholstered furniture.



**E-commerce and Online Retail:** The growth of e-commerce has made it easier for consumers to access a wide range of upholstered furniture options, compare prices, and read reviews. This has expanded the market by reaching consumers who may not have had access to such variety in physical stores.

### Retail e-Commerce Sales in the United States

United States [2014-2025]



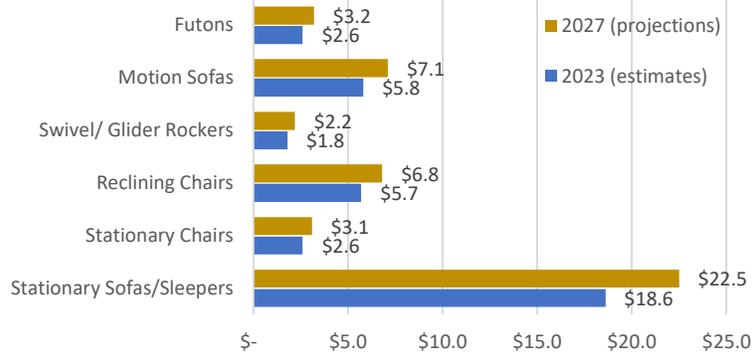
Source(s): eMarketer

### Furniture Today Predicts

In their Retail Planning Guide, *Furniture Today* estimated that for 2023 Total Consumer Spending for furniture and bedding was \$122.5 billion with the upholstery segment being \$37.1 billion.

They also projected that in 2027 total spending on furniture and bedding would be \$147.2 billion with the upholstery portion at \$44.9 billion. That is a 21.1% expected increase in the next few years.

### Upholstered Furniture Spending by Category in \$ billions



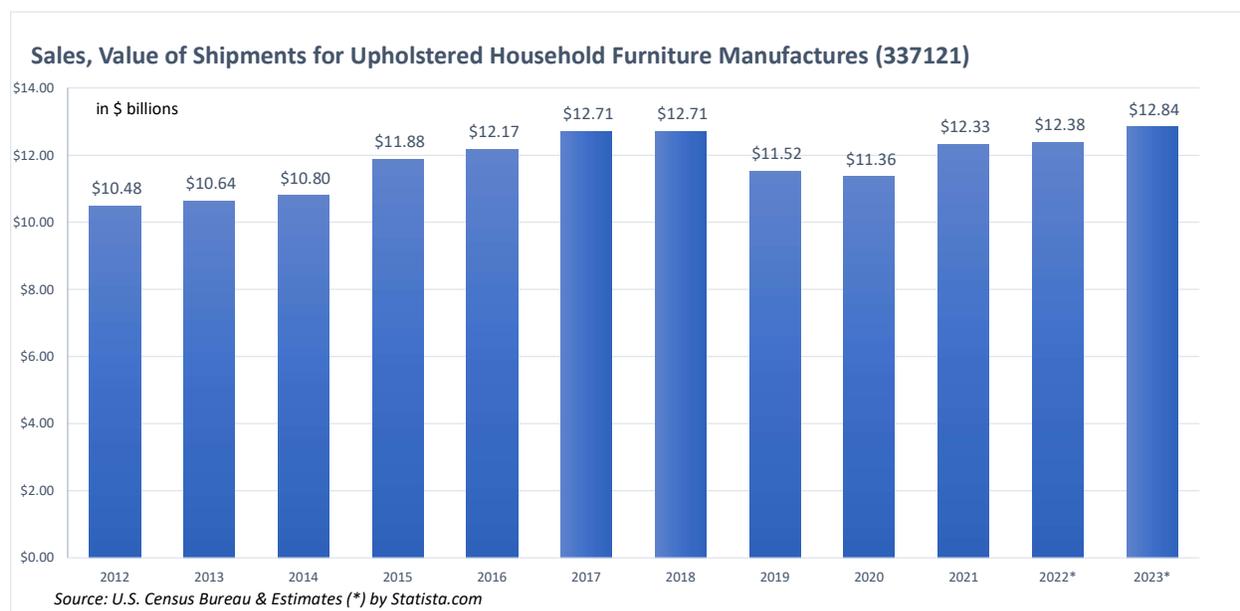
Source: Furniture Today

## Manufacturing Data

The United States Census Bureau collects monthly data from domestic manufacturers requesting information such as sales, new orders, shipments, and inventory numbers.

The “Sales, Value of Shipments” measures the value of goods delivered during the census year by domestic manufacturers, whether payment was received or not. Essentially, it is the government’s snapshot of domestic manufacturing.

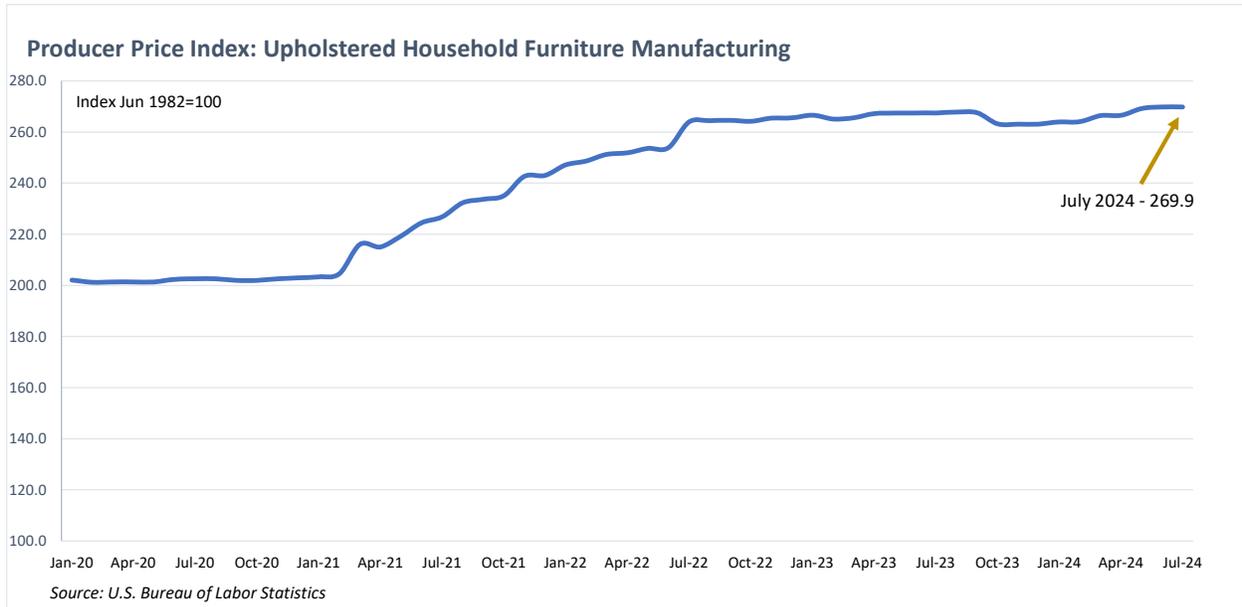
The North American Industry Classification System (NAICS) is the standard used by federal statistical agencies in the United States to classify businesses in industries. 337121 refers to the code for Manufacturing of Upholstered Household Furniture. For 2021, The Census Bureau valued the industry at \$12.3 billion.



There are 109 companies that report in this category to the government including: Ashley Furniture Industries, Inc., Sauder Woodworking Co., Bush Industries Inc., Flexsteel Industries Inc., HNI Corp., La-Z-Boy Incorporated, Ethan Allen Interiors Inc, Hooker Furniture Corporation, Samson Investment Holding Co., Klausner Corporation, Jordan Brown Inc. Lexington Furniture Ind. Inc., Sherrill Furniture Company to name a few.

**Producer Price Index**

The Producer Price Index (PPI) is an economic indicator that measures the average change in prices that producers receive for their output. It is calculated by dividing the weighted average prices of goods produced in the current month by the weighted average prices of the same goods produced in a base month and year, and then multiplying the result by 100. We are essentially comparing the price of something now against a fixed one in the past. PPI looks from the producer’s perspective as it measures the costs to produce consumer goods.



**But Why Is This Important?**

The PPI for upholstered furniture has shown minimal change in recent months. As of July 2024, the PPI for upholstered household furniture manufacturing was 269.86, the same as the previous month and up just 0.87% from the same time last year (*Bureau of Labor Statistics*).

These figures indicate that while there has been some year-over-year growth, the prices have stabilized over the past few months since the rapid increases that started March of 2021. Which suggests that the market has not been experiencing significant fluctuations in production costs, which can be a sign of economic stability in the upholstered furniture manufacturing industry.

## Why Should We Produce Domestically?

Domestic production of upholstered furniture offers several advantages that appeal to manufacturers, consumers, and the broader economy. Here are some key benefits:

### More Control of Products

Domestic production allows for closer monitoring of the manufacturing process to maintain tighter control over the quality of materials, workmanship and even regulations. This proximity ensures that quality standards are met consistently whether it be reducing the risk of defects in their products or in the safety of their labor and even environmental concerns.

This closer monitoring also allows for a more agile production, meaning that manufacturers can more quickly adjust production schedules and respond to changes

in demand, trends, or consumer preferences, offering a competitive edge in a fast-paced market.

And with this level of control, manufacturers can better manage inventory levels, reducing the risk of overstocking and minimizing waste.



### Customization and Trends

Domestic production often allows for higher levels of craftsmanship and the ability to offer more customized options, as manufacturers can work more closely with customers to meet their specific needs— selecting fabrics, finishes, and options. That level of working closely with customers or to the end market allows domestic manufacturers to stay attuned to consumer trends and preferences, enabling them to experiment with new materials, designs, and production techniques, leading to greater innovation and the ability to offer unique products.



### Reduces Dependence on Imports Which Means Faster Lead Times

By producing furniture domestically, a country reduces its dependence on international suppliers, which can be beneficial in times of international trade disruptions or economic uncertainty, such as, the tariffs on Chinese made goods or having to avoid pirates and armed conflicts in the Red Sea. This stability helps ensure consistent product availability.

Shipping times are also reduced since they can be delivered to consumers much faster than products shipped from overseas. This is particularly important for custom orders or when rapid turnaround is needed to meet market demands.

### Support for the Local Economy

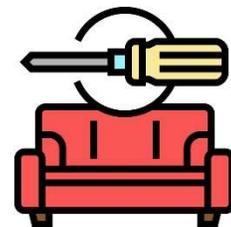
Domestic production supports local employment in the form of job creation, from manufacturing and logistics to sales and customer service. This contributes to economic growth and stability within the community. Money spent on domestically produced furniture circulates within the local economy, benefiting other businesses and services, such as suppliers, retailers, and transportation companies.

A company that can create that sort of good will within a community can eventually foster a sense of national pride and loyalty among consumers who prefer to buy locally made products. This can enhance brand reputation and differentiate domestic brands from international competitors.



### And IF Something Were to Go Wrong

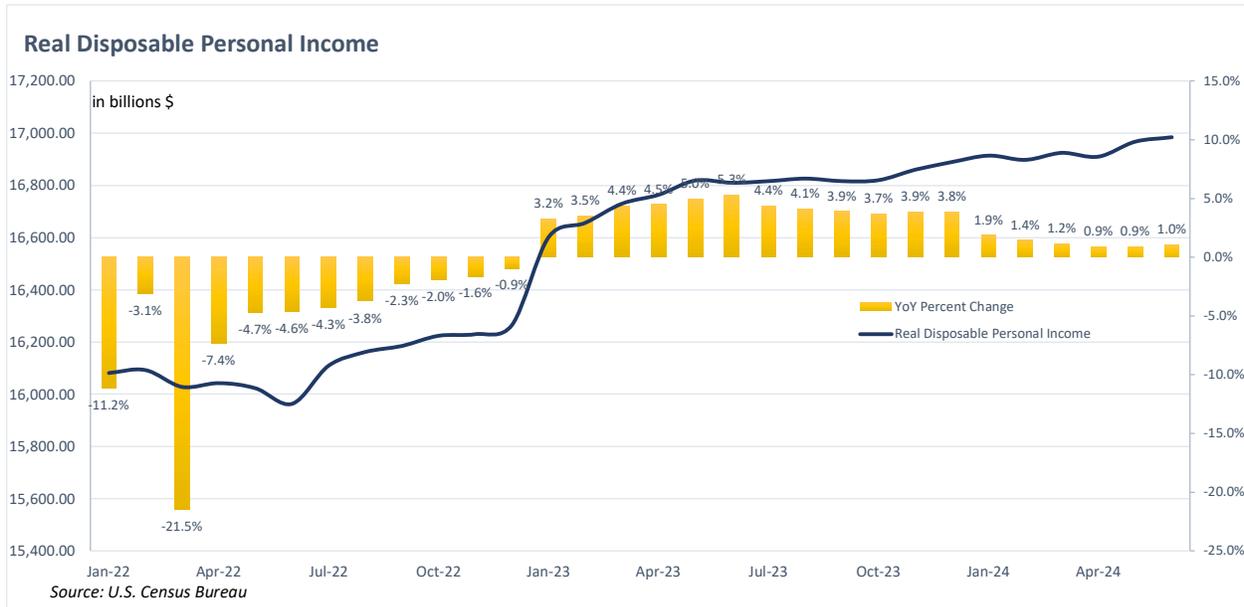
Domestic production facilitates closer communication between manufacturers, retailers, and customers. This can lead to better customer service, quicker resolution of issues, and more responsive after-sales support including handling returns, repairs, or warranty claims. Which is often easier and quicker with domestically produced furniture, as items do not need to be shipped internationally.



## Section III: Why Things Are Positioned to Improve

### Disposable Incomes Are Growing

While prices of literally everything soared throughout 2022, Real Disposable income declined. Year-over-year change was in the negative meaning that after paying the necessities an individual or household had less to spend or save. But since 2023 we have seen consistent steady growth due to low unemployment rates, rising compensations and now subsiding inflation rates which has been giving Americans a little room to breathe. Disposable income has been growing at a constant average rate of approximately 0.3% since 2023.



### People Are Spending

Although the current economic conditions have been difficult for the average consumer, they are spending, just a little more cautiously. Personal consumption expenditures (PCE) for furniture and furnishings are a part of the broader category of durable goods. These expenditures represent the amount of money households spend on furniture and related items over a given period.

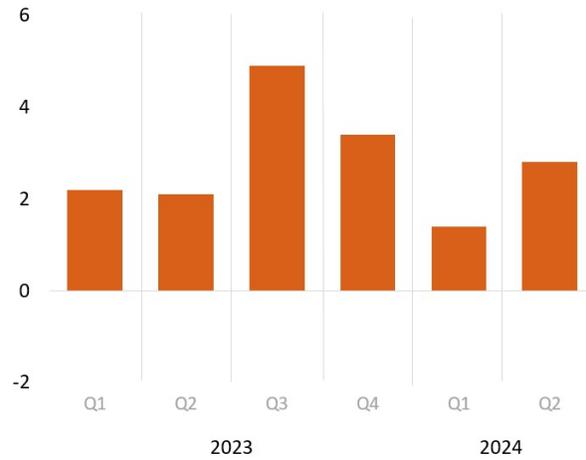


**Interest rates may decline in the near-term**

The advance estimate just released by the U.S. Bureau of Economic Analysis showed that Real GDP increased at an annual rate of 2.8% in the second quarter of 2024 way ahead of the expected 2.0%.

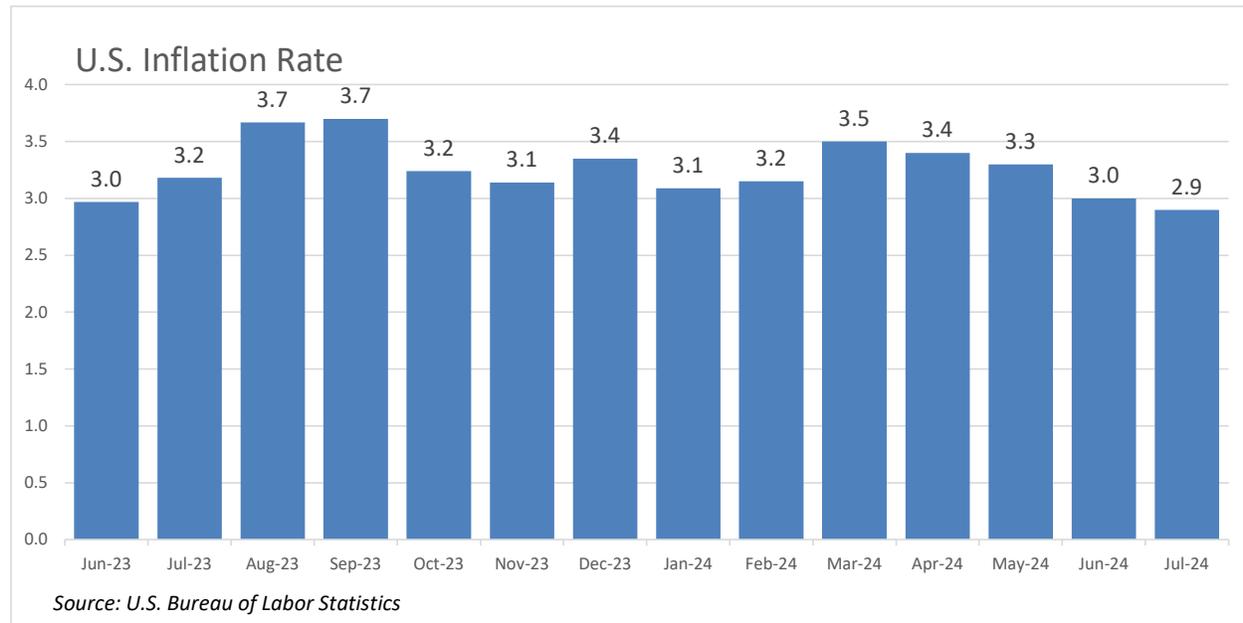
But what does this mean? It means consumers were spending. Personal Consumption, or consumer spending which accounts for roughly 2/3<sup>rd</sup> of GDP showed spending increased 2.3% for the quarter. Rising costs and inflation meant that people have been paying more for the necessities such as groceries, fuel, etc. and getting a lot less.

**Real GDP: Percent change from preceding quarter**



U.S. Bureau of Economic Analysis      Seasonally adjusted annual rates

The annual inflation rate in the US fell for a fourth straight month to 2.9% in July 2024, dipping below 3% for the first time since March of 2021. This is an indicator that inflation is returning to normal levels (without a recession).



But bottom line, the growth in the economy coupled with lower inflation has economists optimistic, forecasting the Fed to lower its rates by the fall of 2024 which would give more breathing room for households and businesses.

### Housing is Due for a Recovery

Inventory of homes available for sale is growing which gives more potential home buyers a chance to buy by easing the upward trajectory of home prices.

Home prices have been going down (ever so slightly). Median sales price of houses sold in the second quarter of 2024 was \$412,300 vs. \$426,800 in the first quarter of this year and \$418,500 a year ago.



Also, price reductions are up. “The percentage of listings that have cut their asking price from the original list price is now up to 38% of the market. It’s one of the indicators that shows us that home prices will be flat.” (housingwire.com).

Combined with the possible lowering of interest rates later this year, the housing market is poised for recovery.

### What Could That Mean?

If the Fed lowers rates in the near future with the economy recovering, lower inflation should also lower mortgage rates. The inverse relationship previously mentioned that mortgage rates share with home furnishings, the industry should begin to see profits again.

## Section IV: Other Things to Consider

### Life After COVID

#### The Impact of Working from Home on the Furniture Industry

The shift towards working from home (WFH), accelerated by the COVID-19 pandemic, has had a profound impact on the furniture industry ushering in a new era of demand and innovation. As individuals transitioned to working from home either part-time or full-time, their need for comfortable, ergonomic, and functional home office furniture has surged, presenting both challenges and opportunities for furniture manufacturers and retailers.



#### Increased Demand for Home Office Furniture

With many people transitioning to remote work, there has been a significant increase in demand for home office furniture, including desks, chairs, ergonomic accessories, and storage solutions. Consumers were seeking to create comfortable and productive work environments within their homes.

#### Evolution in Product Design and Offerings



While consumers realized that they would be spending considerably more time at home, they wanted to create more functional living space. For some it meant possibly upgrading existing pieces in living rooms, dining rooms, and bedrooms.

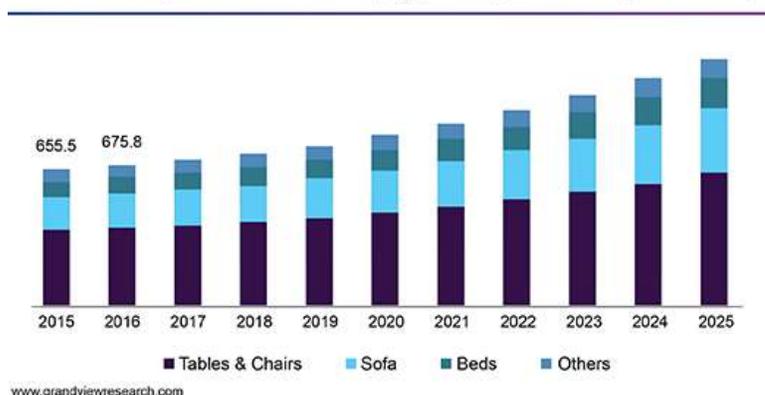


For other homes, where space was limited meant a different kind of solution was needed. Multifunctional and Space-saving Furniture was the answer where furniture serves multi-purposes, such as a couch that turns into a mattress, convertible exercise benches, and modular seating systems that can be reconfigured to accommodate different activities and layouts.

#### GrandViewResearch.com Says,

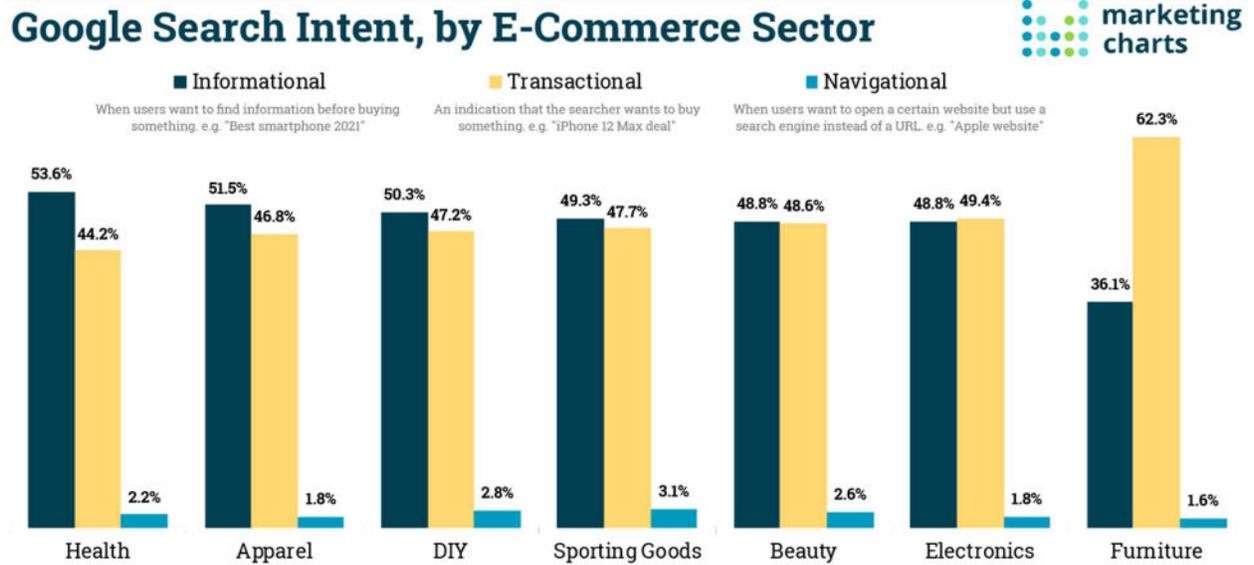
“Folding sofas are expected to expand at the fastest CAGR of 7.3% from 2019 to 2025. Sofas being the main furniture in the living areas and increasing consumer demand for less space-consuming products are expected to fuel the demand for folding sofa sets. Additionally, shifting preference toward the foldable sofas, which can also be altered to make beds, is expected to boost the growth of folding sofas in the forecast period.”

U.S. folding furniture market size, by product, 2015 - 2025 (USD Million)



Rise of E-commerce

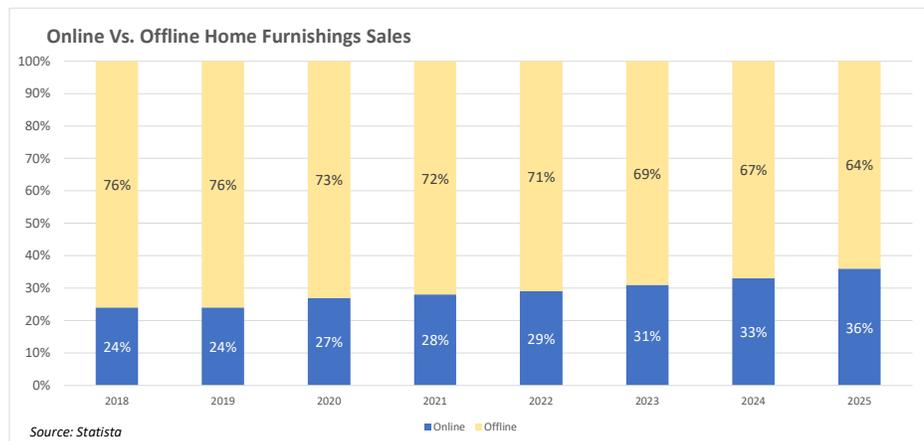
Consumers, many of whom were hesitant to visit physical stores during the pandemic, turned to online platforms to purchase furniture. Online sales channels have become increasingly important as consumers seek convenience and flexibility in purchasing their furniture. Retailers are investing in e-commerce platforms, virtual showrooms, and digital marketing initiatives to reach new customers.



Published on MarketingCharts.com in January 2022 | Data Source: Searchmetrics  
 Based on an analysis of thousands of keywords assigned to 7 online retail sectors during the summer of 2021

Looking at the *Google Search Intent* data released by *Searchmetrics* showed that unlike other industries, most customers looking for furniture products online were ready to buy. In addition, estimates released by *Statista* shows that they expect a 5% increase in online furniture shopping by 2025 versus 2023.

COVID-19 is having a lasting impact on the furniture industry. As remote/hybrid work arrangements become more ingrained in everyday society and

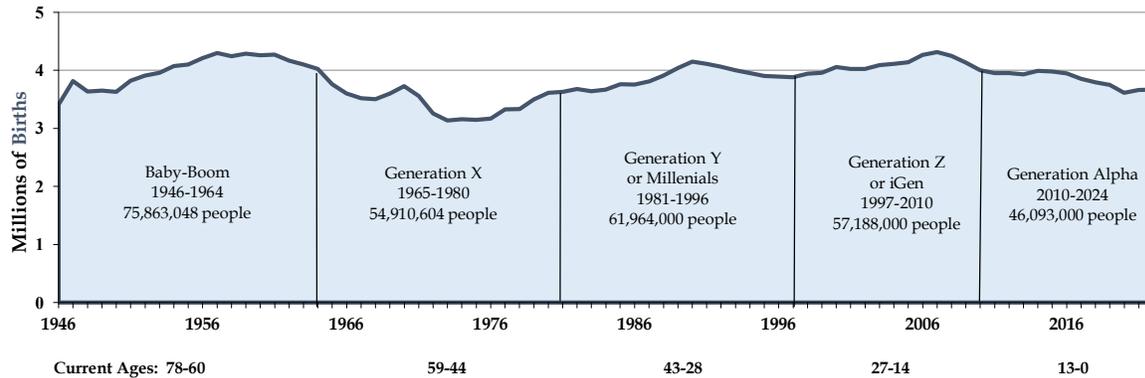


people are spending more time at home, the demand for new multipurpose furniture will remain a significant market segment. Manufacturers and retailers will need to continue innovating to meet the evolving needs of customers, focusing on comfort, functionality, and sustainability.

## Millennials Are Changing the Game

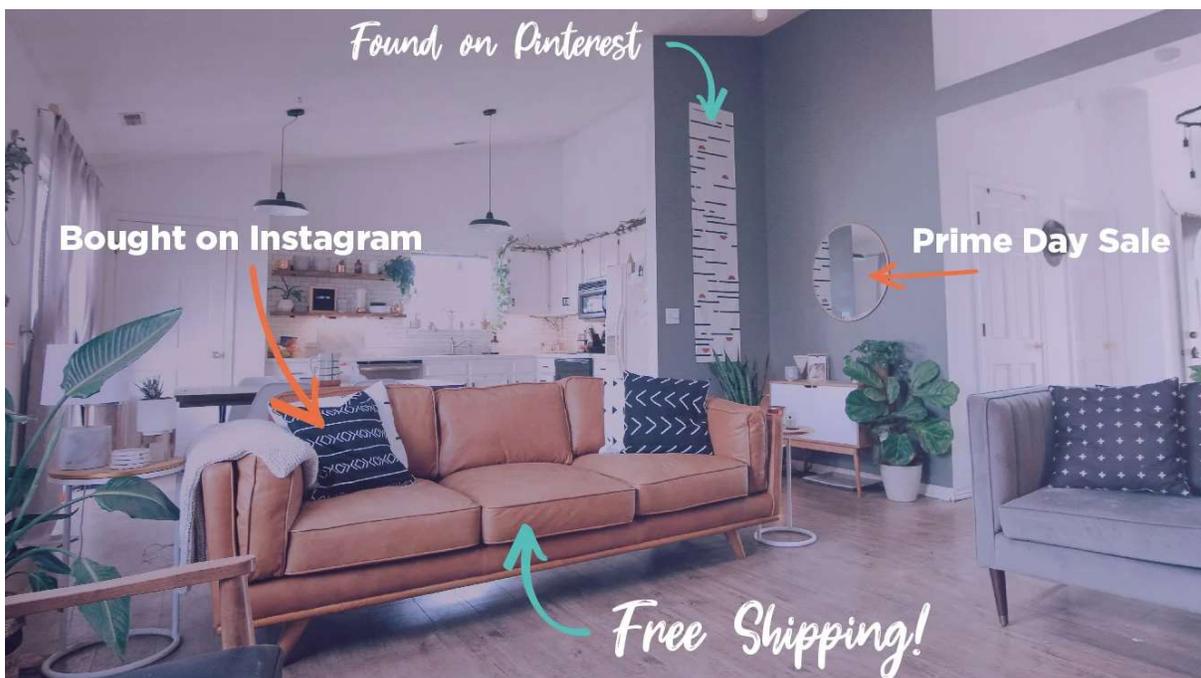
Millennials (born between 1981-1996), are often characterized by their pushing back of major life milestones influenced by factors such as student debt and the economic uncertainty they have faced, which include the residual effects of the Great Recession and COVID.

Live Births in the United States by Year



Sources: U.S. Dept. of Health and Human Services, Parents.com, and Mann, Armistead & Epperson, Ltd.

Millennials are also the age group to look out for having a spending power of roughly \$322.5 billion only slightly behind the leader Gen X at \$357 billion. However, to benefit from their spending power we must acknowledge that they want to do things differently than they have traditionally been done. While previously, shoppers went to a brick-and-mortar store to compare and shop for new furniture, 40% of Millennials preferred e-commerce and home delivery when making their recent purchase (*Furniture/Today*).

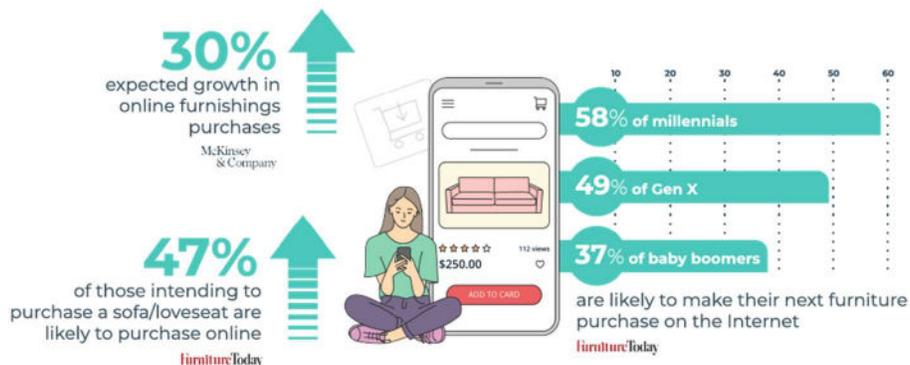
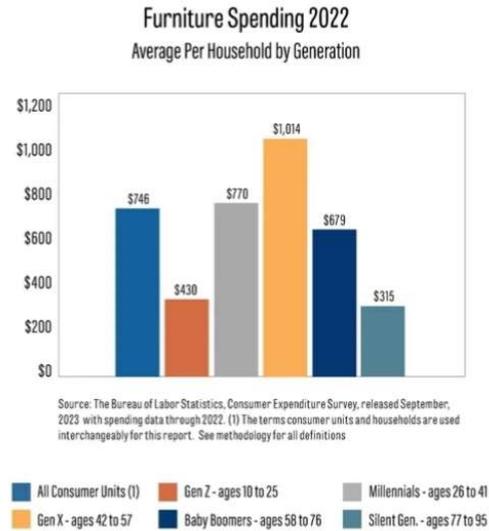


Without seeing, touching, or sitting on anything at all, Millennials are comfortable with comparing looks, styles, and prices all with a scroll of the finger on their screens. They can use AI to photo search a piece of furniture they like and the internet will return hundreds of similar pieces then use augmented reality to see what it looks like in their room.

Or perhaps a popular design “influencer” is posting about a new piece they had bought or made that you definitely need to incorporate in your home. Millennials are just buying differently.

**They’re Not the Biggest Spenders... Yet**

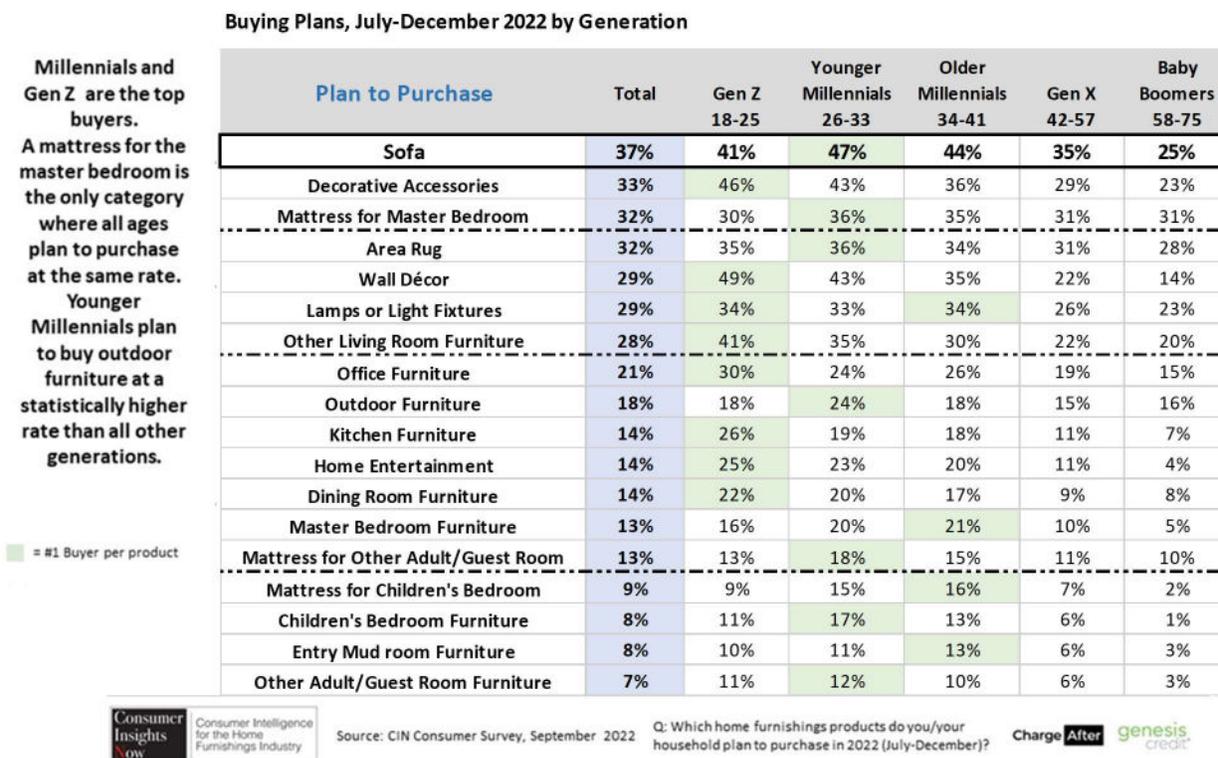
58 percent of millennials buy furniture online, compared to 49 percent of Gen X and just 37 percent of Boomers (*Furniture/Today*), however, Millennials are not the biggest spenders when it comes to furniture. Prior generations viewed furniture as a long-term investment and bought pieces that tended to be made with higher-quality durable materials. Things like solid wood frames, sturdy springs, and reinforced joints which tends to tack on to the price.



Millennials, on the other hand, are often looking for furniture pieces that prioritize a disposable price which also means less robust components but that are also clean and stylish. Many Millennials take pride in keeping up with the changing styles and like to replace furniture more frequently to keep up with the ever-changing trends.

### What Are They Looking For?

The shopping list for older millennials is similar, with a sofa (44%) topping the list of items they plan to buy in the second half of 2022.



*About the survey: Consumer Insights Now surveyed 1,993 U.S. consumers from July 11-13, 2022. All respondents planned to purchase one or more home furnishings products between July and December 2022, and all were either the primary or joint purchase decision-maker. The sample includes a mix of females and males, ages 18 to 74, and includes a representative mix of ages, ethnicities, household incomes and homeowners/renters.*

### What This Means for Retailers?

It means that retailers must change with times to capture the Millennial market. In order to do so retailers must meet shoppers where they are. It means that having an ecommerce landscape which is focused on omnichannel marketing and sales. Shoppers expect to be able to have seamless, integrated experiences across multiple platforms and channels, and the retailers who are able to provide that will be the ones that benefit from increased sales and customer loyalty.

## Gen Z Will Be the Ones to Watch Next

Gen Zers were born between 1997 and 2010. They are digital natives and have little or no memory of the world as it existed before smartphones. On track to be the best-educated generation, this group has yet to hit their prime working years but they still represent \$140 billion in spending power.

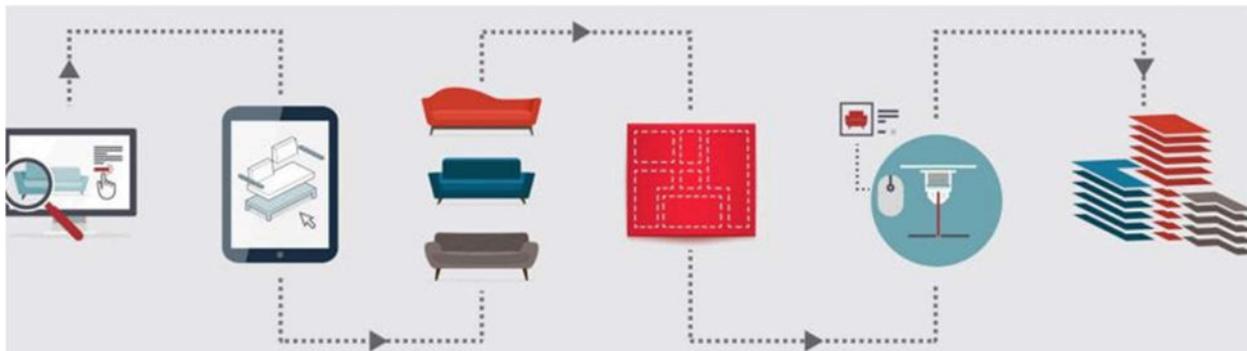
“The typical 25-year-old Gen Z-er has an annual household income of over \$40,000, more than 50% above baby-boomers at the same age.” (The Economist, 4/16/2024) “In 2022, nearly a third of 25-year-old Americans were already homeowners, outpacing both millennials and Gen X at the same age.” (The Marketplace, 9/14/2023)



### What Do They Want?

Gen Z is more likely than older generations to base their buying decisions on emotions experienced during the e-commerce process. They’re influenced by social media, trusting content creators and influencers, often turning to them for style and shopping recommendations, inspiration, and high-quality content.

They want more eco-friendly/sustainable furniture that has minimal impact on the environment. To that end, they’re more open to finding secondhand or vintage pieces. They enjoy hunting for unique pieces that reflect their unique style or individuality on online marketplaces or local shops while at the same time helping to prevent landfill waste.



## Why Is **THIS** a Good Time to Invest in the Upholstered Furniture Sector?

Mortgage rates are slowly coming down with expectations to come down even further later this fall which means a turnaround in the housing sector is soon to follow. A recovery in housing, due to their closely-tied relationship, would trigger a growth in furniture sales as well.



COVID has changed and is continuing to change the way many are using their homes. The home is not just a space where people relax and put their feet up at the end of a long day, it is also where many are working as well. As people are spending more time in their homes, they are looking for ways to make their homes a more comfortable space and with growing incomes they are in a position to do so.

The needs of this newer generation are changing the industry itself. Millennials and Gen Zers are not looking for their grandparents' or even their parents' old furniture anymore. They want something new and unique where a sofa isn't just a sofa, but serves multi-functions that is incorporated with a lot of new technology. This makes room for companies to be more innovative and grow to create new and different kind of furniture.



Experts expect that big increases are coming in the upholstered furniture industry in the next few years. *Furniture Today* projected a 21.1% increase in spending for the upholstered furniture segment from 2023-2027. Globally, *Verified Market Research* is predicting the upholstered furniture market size to grow 51.2% from 2023 to 2031.

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## About Mann, Armistead & Epperson, Ltd.

Mann, Armistead & Epperson, Ltd. is a privately owned investment banking and corporate advisory firm. Based in Richmond, Virginia, our firm assists public, private, and most importantly, family-owned companies in maximizing shareholder and corporate wealth. We bring value to our clients by assisting them to initiate, structure and execute a diverse range of innovative corporate finance and shareholder-related transactions.

Our clients deal directly with our partners, who bring to the table over 150 years of aggregate investment banking experience. Our track record is undeniably strong – the result of having transacted hundreds of deals, spent endless hours developing industry expertise and provided management teams professional advice they could trust at crucial moments in their firms’ histories.

We are internally organized as a boutique investment bank, offering corporate finance execution supported by in-depth and focused industry research capabilities. The professionals at Mann, Armistead & Epperson, Ltd. can provide:

- Merger, acquisition, sell-side and buy-side advisory services and fairness opinions
- Corporate finance and strategic advisory services, such as business valuations and advising on capital formation and balance sheet restructurings
- Industry research and expertise, and other propriety industry exclusive data
- Litigation support and expert witness testimony services

Our clients generally range in enterprise value from \$10 million to \$500 million, but we have been privileged to have been engaged by companies with valuations in excess of \$1 billion. Over the last 30+ years, since we started our firm, we have advised and represented a diverse set of public, private and family-owned clients, including manufacturing, retailing, service-based companies, private equity sponsors and venture capital groups. Likewise, we have successfully represented boards of directors, shareholders and management teams. Our client base is also geographically diverse. We have completed transactions in almost all of the contiguous United States and have also advised our clients located in Asia, Canada, Central and South America, Europe and Mexico. As corporations and economies continue to expand and diversify globally, so has our client and transaction base.

We thank you for your support in the past and look forward to working with you in the future.

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