M&A INSIGHTS

Furniture

Q2 2026

ksm
Corporate Finance

KSM Corporate Finance
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Furniture M&A Insights

Q2 Update: Density, Adjacency, and Platform Build-Outs

Furniture M&A activity remained steady in Q2 2026, with 13 announced transactions compared to 15 in Q1. Buyers remain active, but increasingly focused on opportunities with a clear strategic rationale and integration path. Strategic acquirers are using M&A to build regional density, broaden category exposure, and strengthen North American manufacturing and distribution capabilities. Platform and sponsor-backed buyers also became more visible, primarily through add-ons and minority investments that extend existing platforms. Quality assets continue to trade, but underwriting discipline remains high, sellers need to connect clean financial performance with a credible post-close fit.

Strategic Buyers: Density and Category Depth

- Strategic acquirers used M&A to solve defined operating priorities, not pursue broad expansion
- Retail deals centered on regional density, showroom footprint, and category depth in outdoor living and hearth
- Domestic and North American manufacturing gained strategic importance, supporting supply-chain resilience, speed-to-market, and greater production control

Sponsor-Backed Platforms: Add-Ons Gain Visibility

- Sponsor-backed activity became more visible, driven primarily by add-ons and selective investments
- Platforms targeted assets that expand category exposure, customer reach, or allow for a return to domestic manufacturing capabilities
- Sponsors continue to favor differentiated businesses with durable earnings**,** premium positioning, and clear strategic fit

Deal-Specific Trends

- **Contract and commercial niches attracted platform capital:** Flokk / Spec added configure-to-order healthcare and contract exposure, while Agility Retail / Marco deepened fixture capabilities in grocery
- **Premium positioning attracts capital:** Quad-C / Thibaut highlights sponsor appetite for differentiated brands with strong legacy and trade relationships

> “We are very pleased to welcome Spec to the Flokk group. Their strong position in high-quality, configure-to-order products for the contract market, particularly within healthcare, complements our existing portfolio exceptionally well.
>
> ***Henning Karlsrud***
> *Group CEO - Flokk*

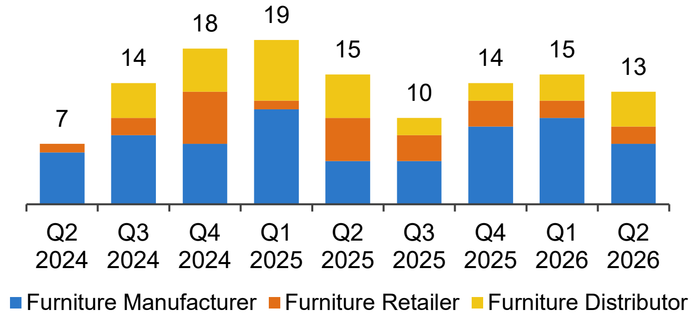
What We’re Watching

Q2 activity reinforces that M&A demand has not disappeared, it has become more specific, whether through regional coverage, category depth, channel access, or differentiated capabilities.

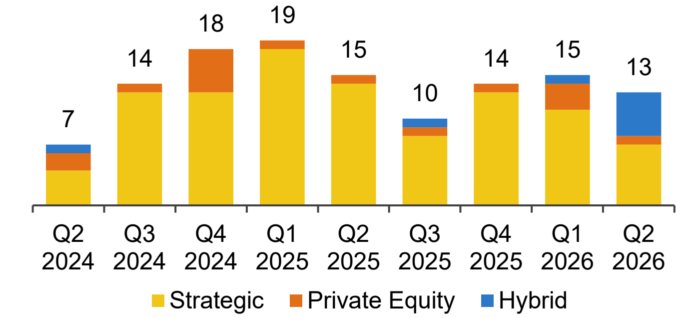
- Continued strategic consolidation in outdoor living, hearth, and regional retail networks
- Sponsor-backed platforms using add-ons to build scale and capabilities, not just deploy capital
- Growing value placed on domestic manufacturing, supply-chain control, and speed-to-market

For owners, preparation matters: buyers remain engaged, but the strongest outcomes require a defensible earnings story and clear post-close value creation path.

Transaction Count by Segment



Transaction Count by Buyer Type



Source: Wall Street Research, Capital IQ, SEC Filings

Strategic Deals Spotlight

Strategics accounted for 54% of Q2 activity, as established retailers pursued tuck-in acquisitions to deepen regional footprint density and broaden category exposure.

Casual Furniture World of Winston-Salem, Inc. Acquires Porch Concepts LLC

On **May 1, 2026**, **Casual Furniture World**, a family-owned outdoor furniture and hearth retailer founded in 1985 and based in North Carolina, acquired **Porch Concepts**, a Wilmington, NC-based outdoor furniture retailer founded by Paul and Mary Maki. The acquisition expands Casual Furniture World's showroom footprint to four locations across North and South Carolina and adds coastal-market expertise and sunroom design capabilities. Read more about this deal online.

Strategic Rationale: Adds a coastal Carolina location and deepens the company's regional density, expanding inventory access and product categories, including custom outdoor kitchens, across a broader customer base.

Watson's Acquires Viridien Patio + Fireplace

On **May 19, 2026**, Cincinnati-based **Watson's**, a national retailer of home recreational products and furnishings, acquired **Viridien Patio + Fireplace**, a Charlotte, NC-based retailer of high-end outdoor furniture, outdoor kitchens, and fireplace and hearth products with a 45-year history and four Carolinas locations. The deal brings Watson's total store count to 39 across 23 corporate and 16 franchise/affiliate locations. Viridien will operate as a wholly owned subsidiary branded as Viridien by Watson's. Read more about this deal online.

Strategic Rationale: Extends Watson's Southern U.S. footprint into the high-growth Carolinas market. "The market's strength and sustained economic growth make it a natural fit for our continued expansion," said Erik Mueller, CEO of Watson's.

MotoMotion China Corporation Acquires Palliser Furniture Ltd.

On **May 29, 2026**, China-based **MotoMotion** acquired **Palliser Furniture**, a Winnipeg, Canada-based upholstered furniture manufacturer and lifestyle brand established over 80 years ago. Palliser designs and manufactures seating, recliners, and home furnishings with manufacturing operations in Mexico and a retail Studio program installed in over 100 locations. Palliser will maintain its Winnipeg headquarters, leadership team, and brand identity. MotoMotion's workforce now exceeds 6,300 employees. Read more about this deal online.

Strategic Rationale: Strengthens MotoMotion's North American supply chain and pairs its global manufacturing scale and technology capabilities with Palliser's consumer research-driven design platform and established retail distribution.

Source: Wall Street Research, Capital IQ, SEC Filings

Private Equity Spotlights

Private equity and platform M&A activity accounted for 46% of total furniture transactions in Q2 2026.

Flokk AS (Triton Partners) Acquires Spec Furniture Inc.

On **April 22, 2026**, Norway-based **Flokk**, a global provider of workplace and contract seating solutions, acquired **Spec Furniture**, a Toronto-based manufacturer of contract furniture founded in 1991. Spec serves the healthcare, education, corporate, and behavioral health segments across the U.S. and Canada from its Toronto manufacturing facility. Spec will continue to operate as an independent brand, with its management team and operations unchanged. Read more about this deal online.

Strategic Rationale: Expands Flokk's North American footprint and provides entry into the growing healthcare furniture segment. "Their strong position in high-quality, configure-to-order products for the contract market, particularly within healthcare, complements our existing portfolio exceptionally well," said Henning Karlsrud, Group CEO of Flokk.

Quad-C Management Acquires Minority Stake in Thibaut Inc.

On **May 13, 2026**, Charlottesville, VA-based **Quad-C Management** invested in **Thibaut, Inc.**, a premier designer and distributor of wallcoverings, fabrics, rugs, and furniture. Founded in 1886, Thibaut is the oldest wallcovering company in the U.S. and operates as a full-service design house across the Thibaut, Anna French, Coraggio, and Rosemary Hallgarten brands, sold to the trade through hundreds of locations globally and six U.S. flagship showrooms. CEO Rick Kilmer will continue to lead the business. Read more about this deal online.

Strategic Rationale: Partners with a legacy brand portfolio within the high-end residential design market. "Thibaut represents a distinguished collection of brands with an exceptional legacy and a highly differentiated market position," said Thad Jones, Senior Partner at Quad-C.

Agility Retail Group (San Francisco Equity Partners) Acquires Marco Display Specialists

On **June 2, 2026**, **Agility Retail Group**, a Mansfield, MA-based partner company of **San Francisco Equity Partners** ("SFEP"), acquired **Marco Display Specialists**, a Fort Worth, TX-based manufacturer of retail fixtures and displays serving the grocery channel. The deal is Agility Retail's fifth under SFEP and scales the platform to ten facilities, ~1 million sq. ft., and 500+ employees. Read more about this deal online.

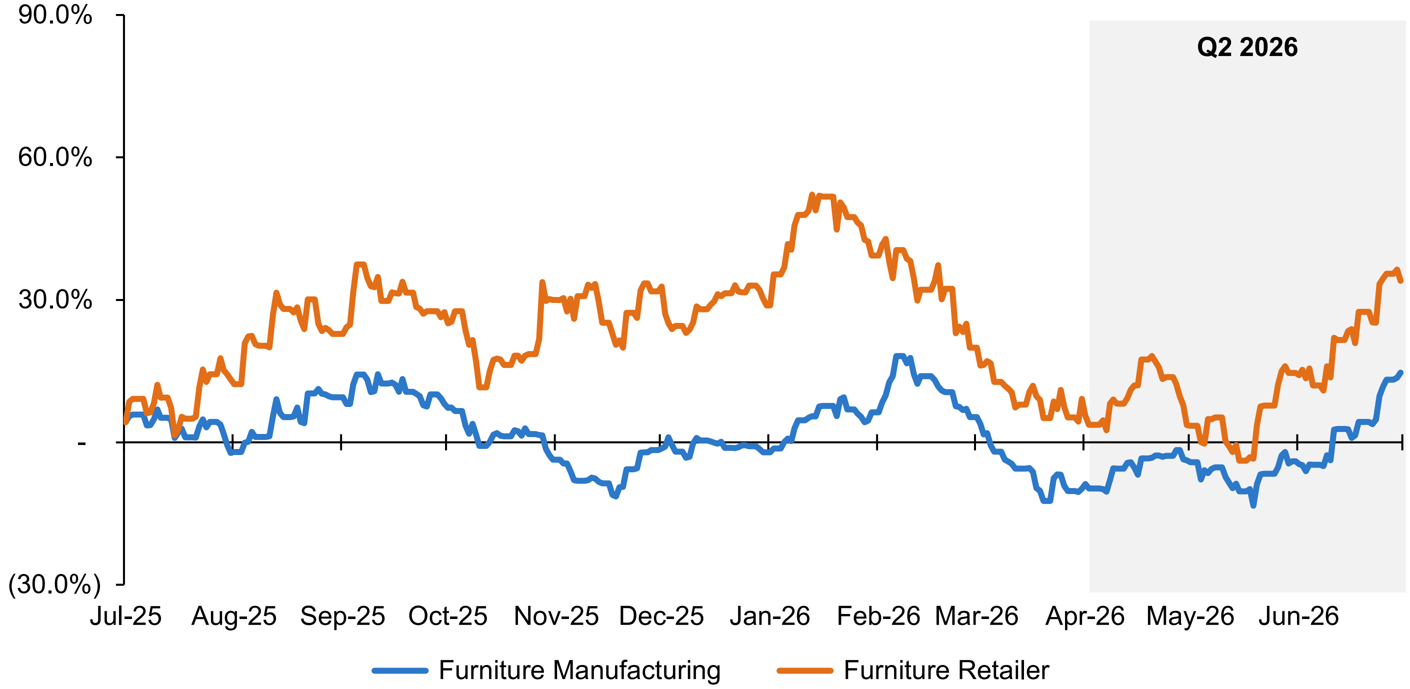
Strategic Rationale: Adds domestic manufacturing capabilities and deepens grocery market penetration, reinforcing Agility Retail's position as a national provider of in-store fixtures, signage, and décor. "Marco is a highly complementary business with strong customer relationships and differentiated manufacturing capabilities," said David Mannix, Partner at SFEP.

Source: Wall Street Research, Capital IQ, SEC Filings

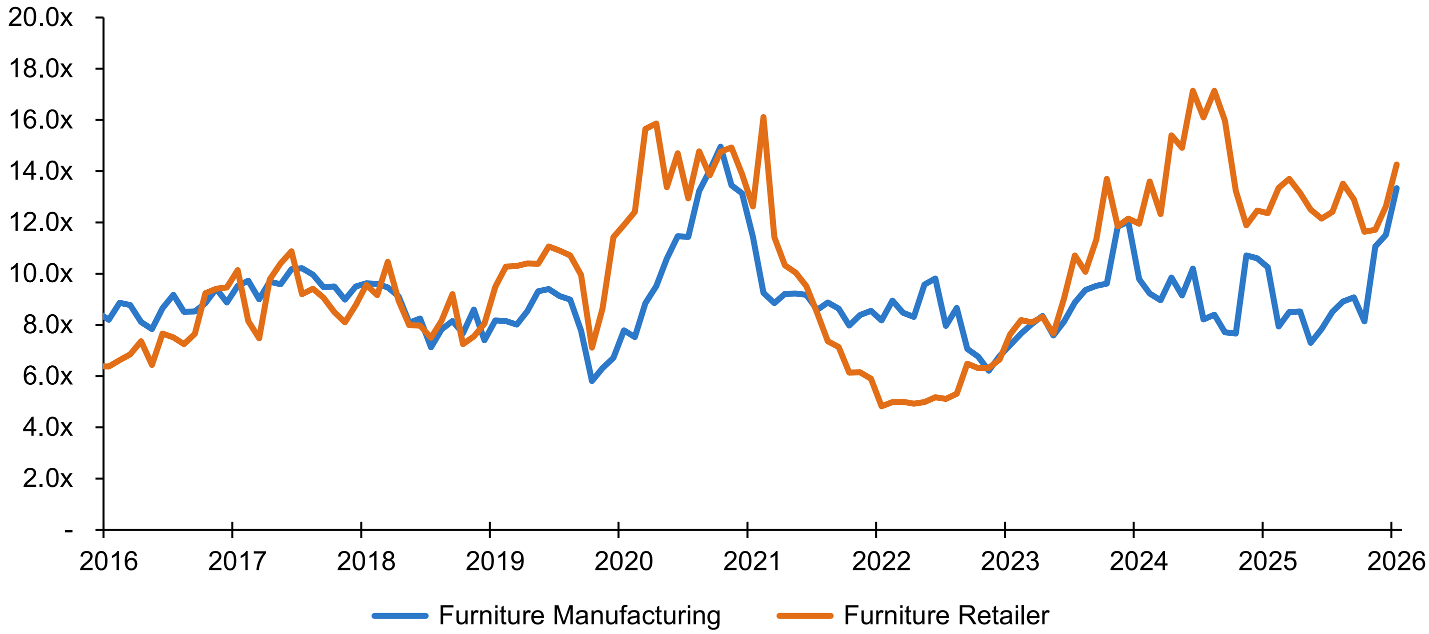
Public Valuation Trends

Valuations across the furniture industry firmed in Q2 2026. Retailers were supported by growing remodeling activity and omnichannel investment, partially offsetting persistently weak housing turnover. Manufacturers saw incremental improvement as tariff certainty improved following the delay of scheduled rate increases, though rising input costs and supply chain reconfiguration continue to pressure margins.

One-Year Share Price Performance by Segment



Rolling EV/EBITDA by Segment



Source: Wall Street Research, Capital IQ, SEC Filings

Public Trading Data

Operating Statistics

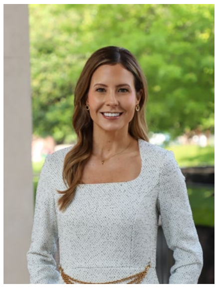
	LTM Revenues		LTM EBITDA			LTM Net Income		LTM Capex		Debt /		Net Debt /
	$(M)	3 yr CAGR	$(M)	Margin	3 yr CAGR	$(M)	Margin	$(M)	% Sales	EBITDA	Capital	EBITDA
Furniture Manufacturing												
American Woodmark Corporation	$1,522	(2.7%)	$141	9.3%	(11.0%)	$18	1.2%	$35	2.3%	2.6x	34.9%	3.4x
Bassett Furniture Industries, Incorporated	333	(11.6%)	15	4.6%	(16.7%)	5	1.6%	5	1.5%	2.3x	34.8%	5.7x
Ethan Allen Interiors Inc.	593	(9.1%)	61	10.3%	(27.5%)	40	6.8%	10	1.7%	1.2x	20.3%	2.0x
Flexsteel Industries, Inc.	458	(6.8%)	40	8.7%	50.5%	31	6.8%	4	0.9%	1.1x	22.5%	1.3x
HNI Corporation	3,587	6.3%	361	10.1%	26.7%	1	0.0%	84	2.3%	4.3x	49.3%	4.8x
Hooker Furnishings Corporation	276	(21.9%)	7	2.4%	(35.2%)	(11)	(4.1%)	3	1.0%	1.8x	12.2%	3.6x
Interface, Inc.	1,420	2.2%	212	14.9%	12.7%	127	8.9%	49	3.5%	1.2x	31.0%	1.3x
La-Z-Boy Incorporated	2,127	(3.3%)	202	9.5%	(7.1%)	102	4.8%	76	3.6%	1.8x	34.7%	2.8x
MasterBrand, Inc.	2,692	(5.8%)	209	7.7%	(16.7%)	(2)	(0.1%)	82	3.0%	5.3x	49.2%	6.1x
MillerKnoll, Inc.	3,842	(2.0%)	363	9.4%	(0.8%)	92	2.4%	0	0.0%	3.8x	56.2%	5.0x
Mohawk Industries, Inc.	10,988	(2.8%)	1,426	13.0%	(2.5%)	414	3.8%	453	4.1%	1.5x	23.1%	1.8x
Natuzzi S.p.A.	348	(13.0%)	(5)	(1.5%)	(35.6%)	(34)	(9.7%)	7	2.0%	18.9x	79.8%	(23.2x)
Virco Mfg. Corporation	197	(4.8%)	6	3.2%	(29.6%)	(1)	(0.5%)	4	2.1%	2.2x	27.5%	6.2x
Mean		**(5.9%)**		**8.2%**	**(5.3%)**		**1.9%**		**2.2%**	**3.8x**	**37.3%**	**1.2x**
Median		**(4.6%)**		**9.3%**	**(11.0%)**		**1.6%**		**1.7%**	**2.3x**	**34.8%**	**3.1x**
Furniture Retailer												
Haverty Furniture Companies, Inc.	$766	(10.2%)	$47	6.1%	(27.6%)	$20	2.6%	$20	2.7%	2.1x	41.7%	4.7x
RH	3,426	(1.4%)	490	14.3%	(12.4%)	103	3.0%	186	5.4%	6.0x	98.6%	8.2x
Wayfair Inc.	12,658	0.6%	288	2.3%	(36.2%)	(305)	(2.4%)	90	0.7%	7.3x	441.6%	12.8x
Williams-Sonoma, Inc.	7,882	(3.5%)	1,650	20.9%	0.7%	1,089	13.8%	259	3.3%	0.7x	44.4%	0.9x
Mean		**(5.8%)**		**10.2%**	**(20.0%)**		**2.8%**		**4.1%**	**4.1x**	**70.1%**	**6.4x**
Median		**(5.8%)**		**10.2%**	**(20.0%)**		**2.8%**		**4.1%**	**4.1x**	**70.1%**	**6.4x**

Trading Multiples

						Total Enterprise Value /					
	Price	% 52-Wk	Market	Net	Tot. Ent.	Revenues		EBITDA		P / E	
	06/30/26	High	Cap	Debt	Value	LTM	NFY	LTM	NFY	LTM	NFY
Furniture Manufacturing											
American Woodmark Corporation	NA	NA	NA	NA	NA	nmf	nmf	nmf	nmf	nmf	nmf
Bassett Furniture Industries, Incorporated	17.72	90%	153	34	187	0.6x	0.6x	12.2x	10.3x	27.9x	17.8x
Ethan Allen Interiors Inc.	22.34	71%	568	14	583	1.0x	1.0x	9.5x	9.9x	14.1x	15.6x
Flexsteel Industries, Inc.	74.48	98%	399	(3)	395	0.9x	0.9x	9.9x	12.1x	13.7x	15.5x
HNI Corporation	40.41	76%	2,909	1,649	4,559	1.3x	0.7x	12.6x	5.9x	nmf	9.2x
Hooker Furnishings Corporation	17.83	99%	190	13	203	0.7x	0.7x	nmf	nmf	nmf	19.4x
Interface, Inc.	35.84	99%	2,081	224	2,305	1.6x	1.6x	10.9x	9.7x	16.7x	16.4x
La-Z-Boy Incorporated	40.12	89%	1,601	268	1,869	0.9x	0.9x	9.3x	9.2x	16.2x	13.6x
MasterBrand, Inc.	10.29	72%	2,110	1,142	3,252	1.2x	0.9x	15.6x	10.6x	nmf	26.4x
MillerKnoll, Inc.	20.46	88%	1,399	1,697	3,096	0.8x	0.8x	8.5x	7.5x	15.5x	10.2x
Mohawk Industries, Inc.	121.33	85%	7,395	1,655	9,051	0.8x	0.8x	6.3x	6.9x	18.2x	14.1x
Natuzzi S.p.A.	1.85	46%	20	99	120	0.3x	nmf	nmf	nmf	nmf	nmf
Virco Mfg. Corporation	6.14	68%	97	35	132	0.7x	0.7x	21.0x	13.0x	nmf	27.9x
Mean		**82%**				**0.9x**	**0.9x**	**11.6x**	**9.5x**	**17.5x**	**16.9x**
Median		**87%**				**0.8x**	**0.8x**	**10.4x**	**9.8x**	**16.2x**	**15.6x**
Furniture Retailer											
Haverty Furniture Companies, Inc.	$25.53	92%	$411	$112	$523	0.7x	0.6x	11.1x	nmf	20.9x	14.0x
RH	164.73	64%	3,114	3,965	7,079	2.1x	1.9x	14.4x	12.3x	31.2x	25.6x
Wayfair Inc.	92.42	77%	12,199	2,612	14,811	1.2x	1.1x	nmf	17.4x	nmf	30.1x
Williams-Sonoma, Inc.	233.10	95%	27,447	842	28,289	3.6x	3.4x	17.1x	16.6x	26.1x	24.4x
Mean		**82%**				**1.9x**	**1.8x**	**14.2x**	**15.4x**	**26.1x**	**23.5x**
Median		**85%**				**1.6x**	**1.5x**	**14.4x**	**16.6x**	**26.1x**	**25.0x**

Source: Wall Street Research, Capital IQ, SEC Filings. Note: The American Woodmark Corporation / MasterBrand, Inc. merger closed on May 28, 2026.

Furniture Industry Practice Team



Jenny Dakoske
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Jenny Dakoske has more than 18 years of experience in finance, advising privately held companies, private equity firms, and family offices on mergers, acquisitions, recapitalizations, and growth financings. She serves as the furniture deal lead at KSM Corporate Finance and as the firm's financial sponsors practice lead.

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Gavin joined KSM Corporate Finance as an analyst in 2025. He supports KSM Corporate Finance M&A advisory and valuation activities. His responsibilities include industry research, financial modeling, material creation, and more. He earned his Bachelor of Arts degree in business from Kalamazoo College in 2025.

Recent KSM Corporate Finance Furniture Experience

Storr Office Environments
A provider of integrated furniture, design, and workplace solutions, based in Raleigh, NC.
Has been acquired by
THE ZAF GROUP
KSMCF principals served as exclusive M&A advisor to Storr Office Environments, Inc.

landscapeforms
A manufacturer of outdoor site furnishings and lighting for commercial and public spaces headquartered in Kalamazoo, Michigan.
Has acquired
loll designs
KSMCF principals served as exclusive M&A advisor to Landscape Forms.

DAVID EDWARD
A designer and manufacturer of premium contract furniture with facilities in Baltimore and Pennsylvania.
Has been acquired by
Kimball
KSMCF principals served as exclusive M&A advisor to David Edward Furniture.

KFI seating
A leading supplier of business and institutional furniture products headquartered in Louisville, Kentucky.
Has been acquired by
Weller Equity
KSMCF principals served as exclusive financial advisor to KFI Seating.

SAUDER MANUFACTURING CO.
A contract furniture manufacturer headquartered in Archbold, Ohio.
Has been acquired by
Butler Woodcrafters
KSMCF principals served as exclusive M&A advisor to Sauder Manufacturing Co.

Transactions were performed by principals of KSM Corporate Finance acting in their capacity as registered representatives of M&A Securities Group, Inc., Member FINRA/SiPC, a separate entity from KSM Corporate Finance and Katz, Sapper & Miller.

Corporate Finance

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Selling a business, buying a company, or raising capital are big decisions. You need advice that's practical, informed, and grounded in how businesses actually run.

KSM Corporate Finance provides lower-middle-market investment banking with a hands-on, straightforward approach that is backed by the expanded resources, industry depth, and integrated capabilities of KSM.

Our team brings deep M&A experience combined with KSM's national advisory platform – giving clients more perspective, more connectivity, and more support, without losing the high-touch experience clients have long valued.

One team. Integrated support. Practical advice.

Type	Expertise
Sell-Side Advisory	▪ Exit readiness and planning ▪ Positioning and value narrative development ▪ Buyer identification and outreach ▪ Process management and negotiations
Buy-Side Advisory	▪ Acquisition strategy and target screening ▪ Financial analysis and diligence support ▪ Valuation, structuring, and negotiations
Capital Advisory	▪ Debt and equity alternatives ▪ Lender and investor preparation ▪ Recapitalizations and minority investments
Valuation & Strategic Alternatives	▪ Business and transaction valuation ▪ Strategic alternatives assessments ▪ Ownership and shareholder planning

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