

M&A INSIGHTS

FURNITURE & DESIGN

Q3 INDUSTRY UPDATE



Industry Insights

Industry Insights

HNI's Strategic Move to Acquire Steelcase — Transformative in Commercial Furnishings M&A

In August 2025, HNI Corporation announced a definitive agreement to acquire Steelcase Inc. in a \$2.2 billion cash-and-stock transaction, representing the largest M&A event in the commercial furnishings sector in recent years (ahead of the 2021 \$1.8 billion MillerKnoll transaction) and a blockbuster event for the broader furniture industry. The combined entity is projected to generate \$5.7–\$5.8 billion in pro forma revenue and realize approximately \$120 million in annual run-rate cost synergies through supply chain, manufacturing, and administrative efficiencies.

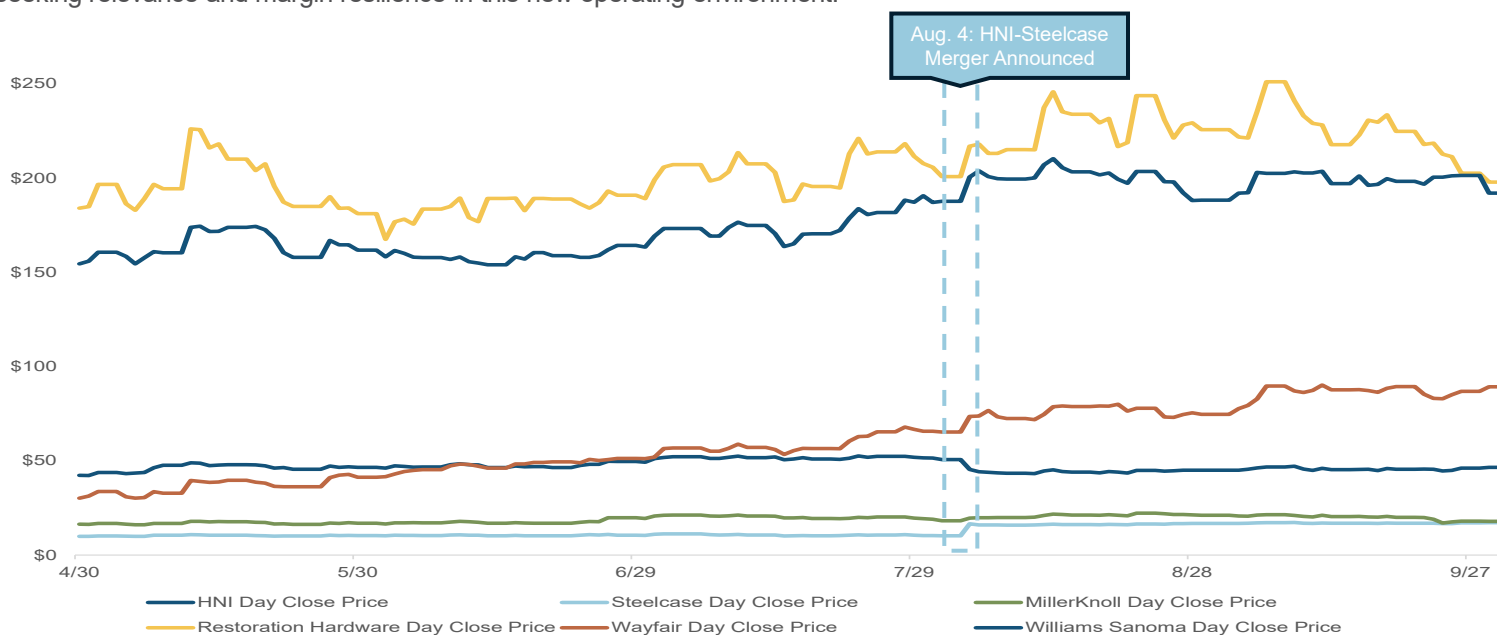
The transaction values Steelcase at roughly 5.8x trailing EBITDA (including synergies) and is expected to close by year-end. HNI's headquarters will remain in Muscatine, Iowa, while Steelcase's brand and Grand Rapids headquarters will be retained within the new structure. In broader market reaction, the announcement drove a sharp surge in Steelcase's stock price (reflecting the premium), while HNI's shares declined, likely reflecting investor concerns over deal execution, dilution, or integration risk.

The merger combines HNI's strength in mid-market and contract channels with Steelcase's premium and enterprise relationships, creating a more diversified platform with broader customer coverage and enhanced pricing power. The combined businesses should be able to better navigate shifting workplace dynamics, supply chain pressures, and margin compression—key themes driving recent deal activity across the industry.

The deal also reflects a broader strategic pivot toward operating efficiency, as manufacturers seek to balance post-pandemic hybrid workplace trends with margin recovery. Despite near-term volatility, the transaction underscores continued investor confidence in the long-term value creation potential of scaled, vertically integrated operators in the commercial furnishings space.

Notably, the transaction could also mark a structural turning point for the dealer channel. The integration of HNI and Steelcase's expansive dealer networks is expected to accelerate rationalization across overlapping markets, favoring high-performing, multi-brand dealers with broader service capabilities. As manufacturers seek greater efficiency and channel control, this shift will likely spark additional M&A activity among both manufacturers and dealers aiming to gain scale, enhance digital integration, and strengthen competitive positioning within a consolidating distribution landscape.

At Charter Capital Partners, we view the HNI–Steelcase transaction as a defining moment in the ongoing consolidation wave reshaping the furniture sector. Scale, operating leverage, and channel diversification are increasingly critical as the industry adjusts to evolving workplace utilization and slower cyclical recovery. We expect further strategic combinations among mid-tier and niche manufacturers seeking relevance and margin resilience in this new operating environment.



Sources: Capital IQ, Pitchbook, US Bureau of Labor Statistics, 3D Cloud, Joint Center for Housing Studies of Harvard University, US Census Bureau, Local Initiatives Support Corporation, Steelcase 10Q, alvestnews.com, Reuters.



Furniture M&A Insights

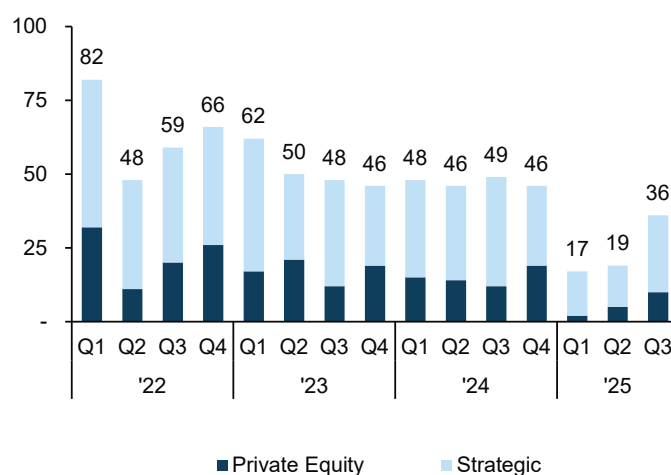
M&A Market Insight

M&A Market Insights

After a dismal start to 2025, Steelcase's recent acquisition may indicate a revival in M&A activity—particularly among privately held furniture manufacturers. The sluggish start to the year reflected heightened uncertainty: inconsistent trade policy, renewed tariffs, and regulatory ambiguity prompted many dealmakers to pause or revisit transactions. Structural factors such as long-term succession planning, generational transitions, and continued capital availability remain key drivers of transaction volume, even amid challenging macroeconomic conditions. These elements underscore that ownership transitions are primarily structural rather than cyclical in nature.

Ongoing tariffs and trade barriers continue to enhance the strategic value of U.S.-based production, increasing buyer interest from both financial sponsors and strategic acquirers. At the same time, the evolving “return-to-office” trend continues to support demand for commercial furniture and related categories. Companies positioned to meet workplace reconfiguration needs, hybrid work environments, and institutional demand are particularly well-placed, contributing to a constructive outlook for continued deal activity in the sector.

Furniture Transaction Count by Deal Type



Private Equity Sentiment

The HNI–Steelcase merger is set to accelerate consolidation across the furniture sector, particularly among strategic and private-equity-backed buyers. With tariffs, supply-chain volatility, and higher borrowing costs already baked into most operators' models, dealmakers are increasingly willing to move despite persistent macro headwinds. The combination creates a dominant player with unmatched scale and reach, pushing competitors to evaluate acquisitions as both a defensive and growth strategy.

Pure financial buyers, meanwhile, are losing ground. Rising competition and tighter margins are pressuring valuations, prompting sponsors to shift toward bolt-ons or strategic partnerships instead of new platform investments. The balance of deal activity is tilting toward acquirers with operational depth and integration experience—those best equipped to capture efficiencies in a consolidating market.

Momentum is building for continued mid-market M&A through 2026, fueled by the race for scale, channel control, and supply-chain resilience.

Transaction Comparables

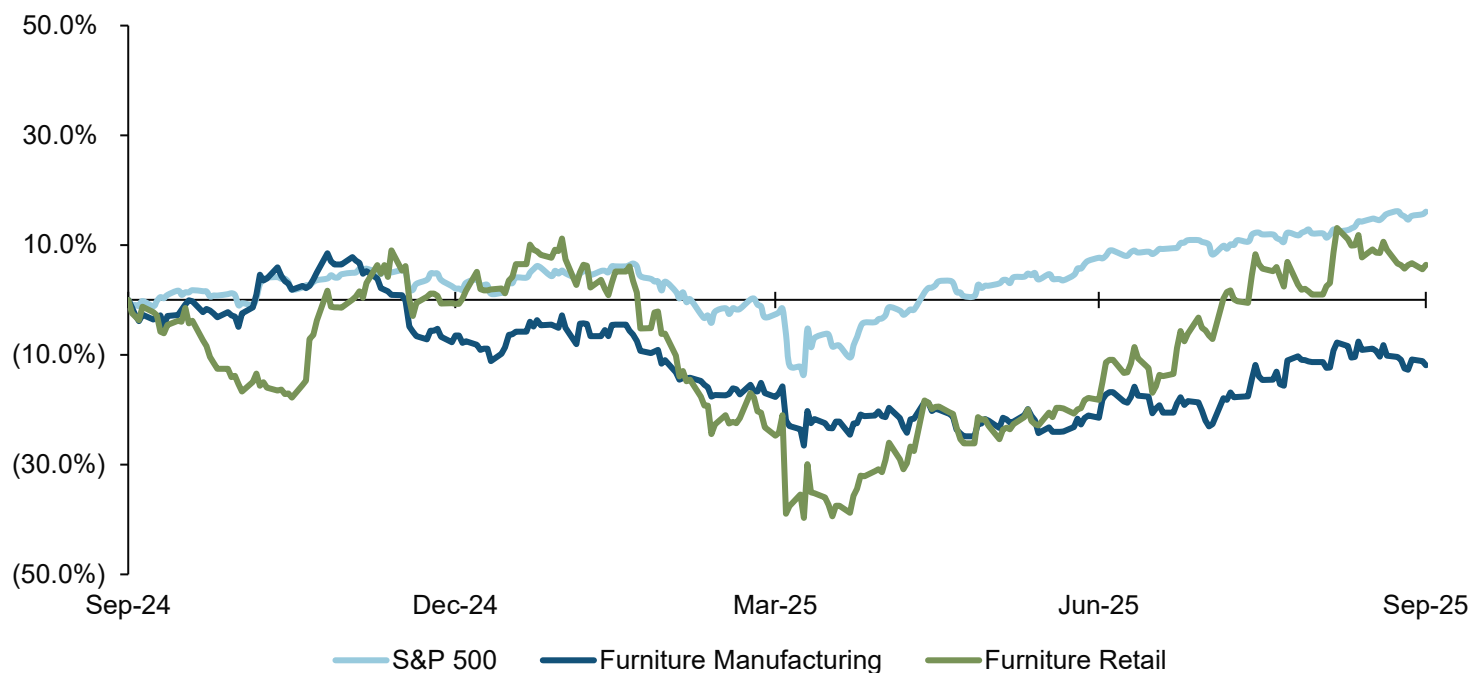
Target	Acquirer	Date	EV	Revenue	EBITDA	EV /	
						Revenue	EBITDA
American Woodmark (NAS: AMWD)	MasterBrand (NYS: MBC)	8/6/2025	\$3,600	\$1,653	\$178	2.2	20.2x
Steelcase (NYSE: SCS)	HNI Corporation (NYSE: HNI)	8/4/2025	\$2,631	\$3,217	\$243	0.8x	10.8x
Supreme Cabinetry (GHK Capital Partners)	MasterBrand (NYS: MBC)	5/23/2024	\$520	NA	\$58	NA	9.0x
Kimball	HNI (NYS: HNI)	3/8/2023	NA	NA	NA	NA	6.8x
Meteor Education (Saw Mill Capital)	Bain Capital	12/31/2022	\$135	\$100	\$15	1.4x	9.0x
Halcon	Steelcase (NYS: SCS)	5/5/2022	\$128	\$70	NA	1.8x	NA
Badcock and More	Franchise Group	11/22/2021	\$580	\$902	\$140	0.6x	4.1x
Superb Flooring and Design	BuildDirect (TSX: BILD)	11/17/2021	\$10	\$18	\$2	0.6	5.0x
Average			\$1,086.3	\$993.3	\$106.0	1.2x	9.3x
Median			\$520.0	\$501.0	\$99.0	1.1x	9.0x

Sources: Capital IQ, Pitchbook, PwC 2025 Survey Sources: Capital IQ, Pitchbook, US Bureau of Labor Statistics, 3D Cloud, Joint Center for Housing Studies of Harvard University, US Census Bureau, Local Initiatives Support Corporation, Steelcase 10Q, alvestnews.com, Reuters.

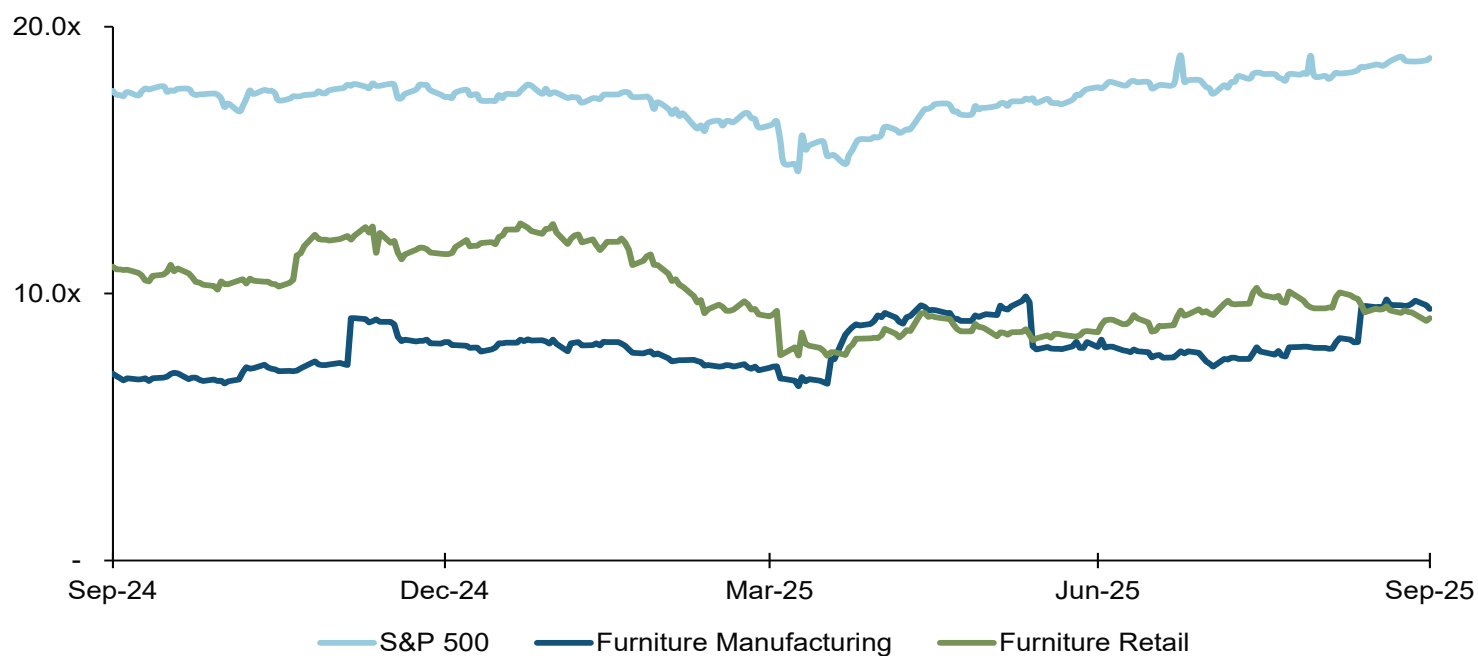


Public Valuation Trends

One-Year Share Price Performance by Segment vs. S&P 500



Rolling EV/EBITDA by Segment vs. S&P 500



Note: One-year rolling EV/EBITDA chart excludes negative EV/EBITDA calculations

Source: Capital IQ (Data as of 9/30/25).



Public Trading Data

Operating Statistics

Public Companies	LTM Revenue		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												
Bassett Furniture Industries	\$326	(11.2%)	\$11	3.3%	(36.4%)	\$2	0.8%	\$4	1.2%	2.8x	37.0%	1.1x
MillerKnoll	\$3,764	(3.9%)	\$394	10.5%	(3.2%)	(\$16)	(0.4%)	\$116	3.1%	3.6x	57.3%	3.3x
HNI Corporation	\$2,582	2.7%	\$320	12.4%	28.7%	\$148	5.7%	\$54	2.1%	1.7x	42.0%	1.6x
Interface	\$1,352	1.7%	\$193	14.3%	2.4%	\$96	7.1%	\$35	2.6%	1.8x	40.9%	1.3x
Natuzzi S.p.A.	\$335	(11.1%)	\$3	1.0%	(32.7%)	(\$19)	(5.6%)	\$4	1.2%	NA	NA	NA
Mohawk Industries	\$10,684	(3.1%)	\$1,355	12.7%	(10.5%)	\$474	4.4%	\$446	4.2%	1.5x	24.1%	1.2x
Hooker Furnishings	\$376	(12.8%)	(\$7)	(2.0%)	(13.5%)	(\$13)	(3.4%)	\$4	0.9%	16.6x	20.6%	16.3x
Ethan Allen Interiors	\$615	(9.1%)	\$78	12.7%	(19.6%)	\$52	8.4%	\$11	1.8%	1.0x	20.5%	NA
La-Z-Boy	\$2,106	(4.7%)	\$194	9.2%	(9.9%)	\$92	4.3%	\$77	3.7%	1.7x	32.8%	0.6x
Flexsteel Industries	\$441	(6.8%)	\$35	7.9%	46.4%	\$20	4.6%	\$3	0.7%	1.3x	26.1%	0.4x
Steelcase	\$3,259	1.7%	\$186	5.7%	21.3%	\$95	2.9%	\$55	1.7%	2.7x	37.9%	1.6x
MasterBrand	\$2,777	(3.5%)	\$338	12.2%	2.7%	\$94	3.4%	\$91	3.3%	2.9x	44.1%	2.6x
American Woodmark	\$1,654	(5.5%)	\$175	10.6%	6.5%	\$84	5.1%	\$36	2.2%	2.3x	35.4%	2.1x
Virco	\$237	3.7%	\$24	10.1%	47.4%	\$14	5.7%	\$7	3.0%	1.2x	26.6%	1.1x
Mean		(4.4%)		8.6%	2.1%		3.1%		2.3%	3.2x	34.3%	2.8x
Median		(4.3%)		10.3%	(0.4%)		4.4%		2.1%	1.8x	35.4%	1.4x
Furniture Retail												
Haverty Furniture	\$723	(10.8%)	\$43	6.0%	(31.6%)	\$20	2.7%	\$28	3.9%	2.2x	41.6%	1.1x
Williams-Sonoma	\$7,830	(3.0%)	\$1,688	21.6%	(1.2%)	\$1,127	14.4%	\$261	3.3%	0.7x	39.3%	0.2x
RH	\$3,337	(4.7%)	\$536	16.1%	(20.1%)	\$107	3.2%	\$225	6.7%	5.6x	101.1%	5.6x
Wayfair	\$12,008	(1.7%)	(\$90)	(0.7%)	(51.3%)	(\$300)	(2.5%)	\$55	0.5%	29.5x	328.3%	19.1x
Mean		(5.1%)		10.7%	(26.1%)		4.5%		3.6%	9.5x	127.6%	6.5x
Median		(3.9%)		11.0%	(25.9%)		3.0%		3.6%	3.9x	71.3%	3.4x

Source: Capital IQ (Data as of 9/30/25).



Public Trading Data

Trading Multiples

Public Companies	Price	% of	(\$M)			TEV / Revenue		TEV / EBITDA		P / E	
	@ 9/30/25	52 Wk. High	Mark. Cap	Net Debt	TEV	LTM	NFY	LTM	NFY	LTM	NFY
Furniture Manufacturing											
Bassett Furniture Industries	\$15.64	79.2%	\$136	\$38	\$174	0.5x	0.5x	16.0x	NA	55.7x	19.2x
MillerKnoll	\$17.74	68.3%	\$1,215	\$1,728	\$2,943	0.8x	0.8x	7.5x	8.2x	NA	9.9x
HNI Corporation	\$46.85	80.2%	\$2,148	\$549	\$2,697	1.0x	1.0x	8.4x	7.8x	15.2x	12.5x
Interface	\$28.94	95.8%	\$1,689	\$276	\$1,965	1.5x	1.4x	10.2x	9.6x	17.9x	15.6x
Natuzzi S.p.A.	\$3.22	51.4%	\$35	(\$20)	\$16	0.0x	NA	4.8x	NA	NA	NA
Mohawk Industries	\$128.92	78.5%	\$8,010	\$2,088	\$10,098	0.9x	0.9x	7.5x	7.6x	17.1x	13.9x
Hooker Furnishings	\$10.15	51.3%	\$108	\$49	\$157	0.4x	0.4x	NA	NA	NA	NA
Ethan Allen Interiors	\$29.46	90.3%	\$750	(\$12)	\$738	1.2x	1.2x	9.5x	9.5x	14.7x	14.6x
La-Z-Boy	\$34.32	71.0%	\$1,414	\$180	\$1,594	0.8x	0.8x	8.2x	7.8x	15.7x	13.2x
Flexsteel Industries	\$46.35	70.4%	\$245	\$19	\$264	0.6x	0.6x	7.6x	NA	13.1x	9.6x
Steelcase	\$17.20	99.7%	\$1,974	\$363	\$2,336	0.7x	0.7x	12.6x	8.7x	21.3x	10.2x
MasterBrand	\$13.17	63.7%	\$1,669	\$955	\$2,624	0.9x	1.0x	7.8x	8.0x	18.3x	11.7x
American Woodmark	\$66.76	64.0%	\$973	\$449	\$1,422	0.9x	0.8x	8.1x	6.7x	11.9x	8.7x
Virco	\$7.75	44.8%	\$122	\$39	\$161	0.7x	0.6x	6.7x	NA	9.2x	6.7x
Mean		72.0%				0.8x	0.8x	8.8x	8.2x	19.1x	12.1x
Median		70.7%				0.8x	0.8x	8.1x	8.0x	15.7x	12.1x
Furniture Retail											
Haverty Furniture	\$21.93	79.8%	\$356	\$110	\$466	0.6x	0.6x	10.8x	NA	18.7x	18.2x
Williams-Sonoma	\$195.45	88.8%	\$23,804	408	\$24,212	3.1x	3.2x	14.3x	14.9x	21.7x	20.4x
RH	\$203.16	44.4%	\$3,808	3,877	\$7,686	2.3x	2.4x	14.3x	14.0x	37.9x	41.2x
Wayfair	\$89.33	97.3%	\$11,583	2,532	\$14,115	1.2x	1.2x	NA	22.2x	NA	43.2x
Mean		77.6%				1.8x	1.8x	13.2x	17.0x	26.1x	30.7x
Median		84.3%				1.7x	1.8x	14.3x	14.9x	21.7x	30.8x

Source: Capital IQ (Data as of 9/30/25).



Select Transactions

Ann. Date	Target (Ownership)	Acquirer (Ownership)	Location
Jan-25	Whitney Bros. Co. LLC	Empowered Ventures, Inc.	Keene, NH
Jan-25	Fas Windows And Doors, LLC and Lindholm Construction Inc.	Pinnacle Home Improvements, LLC	Orlando, FL
Jan-25	Carolina Kitchen & Bath, Inc.	Robinson Export & Import Corp.	Greensboro, NC
Jan-25	HDW Commercial Interiors	Office Interiors, Inc.	Merrillville, IN
Feb-25	Becker Furniture World Inc.	Furniture Mart USA, Inc.	Becker, MN
Feb-25	Mattress Firm Group Inc.	Somnigroup International Inc. (NYSE:SGI)	Houston, TX
Feb-25	Quiltcraft Industries, Inc.	Fabtex, Inc.	Dallas, TX
Feb-25	VIA, Inc.	Flokk AS	Sparks, NV
Feb-25	Bathroom Buddy Remodeling Inc.	PJ Fitzpatrick, LLC	Smithtown, NY
Feb-25	Aqua Jet Pools, Spas, & Patio Furniture	Rainsford Capital	Lake Katrine, KY
Feb-25	FlexScreen LLC	The RiteScreen Company, LLC	Murrysville, PA
Mar-25	Gribetz International Inc and Porter International	ABM International, Inc.	Sunrise, FL
Mar-25	Bauhaus USA, Inc.	The RW Collective	Saltillo, MS
Mar-25	Model No. Inc.	Ic3d Inc	Columbus, OH
Mar-25	Yorkshore Commercial Interiors	BuildDirect (TSX: BILD)	Longwood, FL
Mar-25	In The Shade, Inc.	Private Investor	Stuart, FL
Apr-25	Saloom Furniture Co., Inc.	Groupe Bermex Inc.	Winchendon, MA
Apr-25	All Star Woodworking	Premier Woodworking LLC	Yorktown Heights, NY
Apr-25	Newcastle Systems, Inc.	TouchPoint, Inc.	Amesbury, MA
Apr-25	Exceptional Cabinets LLC	Private Investor	Lugoff, SC
Apr-25	Contract Business Interiors, Inc.	Division12 Consulting, LLC	Marietta, GA
Apr-25	The Windward Design Group Inc.	Berlin Gardens, LLC	Sarasota, FL
Apr-25	Solid Wood Worx	Sandy Vans LLC	Huntington Beach, CA
Apr-25	Varaluz LLC	CIANA Lighting LLC	Las Vegas, NV
May-25	Schoenfeld Interiors Inc.	Selden's Interior Furnishings, Inc.	Bellevue, WA
May-25	Design Goods, LLC	MRCA	Seattle, WA
May-25	Vermilion Needlepoint Rugs LLC	The Wells Companies LLC	New York, NY
May-25	Laser Electric Supply & Lighting Gallery	Hein Electric Supply Co.	Walworth, WI

Represents platform acquisition

Sources: Wall Street Research, Capital IQ, SEC Filings, Pitchbook.



Select Transactions

Ann. Date	Target (Ownership)	Acquirer (Ownership)	Location
May-25	Dormify, Inc.	Williams-Sonoma, Inc. (NYSE:WSM)	New York, NY
Jun-25	FanMats, LLC	Logo Brands, Inc	Suwanee, GA
Jun-25	Phillips Workplace Interiors, Inc.	FultonSt1 LLC	Harrisburg, PA
Jun-25	Terra Flame Home Inc.	Private Investor	Laguna Niguel, CA
Jun-25	Komponents Laminated Products, Inc.	The Brewer Company, LLC	Oconomowoc, WI
Jun-25	High Country Furniture & Design, Inc.	Private Investor	Waynesville, NC
Jun-25	Butterworth's of Petersburg, Incorporated	Schewel Furniture Company, Inc.	Petersburg, VA
Jul-25	Coyote Creek Cabinets	F&R Holdings	Spokane Valley, WA
Jul-25	Genesis Innovations	Watson Mills and Design	Loveland, CO
Jul-25	Western Office Products	Pro Cloud SaaS	Victorville, CA
Aug-25	Chairish	Auction Technology Group (LON: ATG)	San Francisco, CA
Aug-25	Chic	Florida Event Décor	Orlando, FL
Aug-25	Dennis & Leen	Restoration Hardware (NYS: RH)	Los Angeles, CA
Aug-25	Michael Taylor Designs	Restoration Hardware (NYS: RH)	Paramount, CA
Sep-25	Infinger Furniture	J&k Home Furnishings	Goose Creek, SC
Sep-25	Colder's	Furniture & ApplianceMart	West Allis, WI
Sep-25	Child Craft	HALO Innovations	Medina, OH
Sep-25	Storr Office Environments	The Zaf Group	Raleigh, NC

[Represents platform acquisition](#)

Sources: Wall Street Research, Capital IQ, SEC Filings, Pitchbook.



Furniture Practice Leadership Team



MIKE BROWN

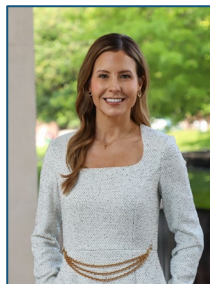
Partner & Managing Director

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Mike Brown has 20 years of experience as a financial advisor to business owners, capital providers, and executive teams in a variety of M&A and financing transactions. He has advised both publicly and privately held businesses ranging in size from \$10 million to \$500 million of Enterprise Value. His experience spans industries including distribution, metals manufacturing, homebuilding, business services, energy supply, commercial banking, and automatic identification and data capture.

Mike leads the M&A team at Charter Capital Partners, focusing on representing business owners through the most important transaction of their lives. He has significant investment banking experience and has advised on transactions valued at \$3 billion in the aggregate. Mike has excelled in executing complex transactions to meet short deadlines. Prior to Charter Capital Partners, Mike worked for a bulge bracket investment bank in Chicago for 10 years with a focus on large (>\$300 million revenue) privately held businesses.

Mike earned a BS in Finance from the University of Colorado, Leeds School of Business, and received an MBA with Honors, from the University of Chicago, Booth School of Business. He has attained FINRA securities registrations including the Series 7, 63, and 82.



Jenny Dakoske

Director

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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 Deal Lead at Charter Capital Partners and as the firm's Financial Sponsors Practice Lead.

Jenny's transaction experience spans a wide range of industries, including manufacturing, furniture, distribution, and industrial and business services. At Charter, she focuses on helping clients navigate complex strategic and financial transactions with precision and creativity, leveraging her background in both commercial lending and private equity-backed finance.

Before joining Charter, Jenny held senior leadership roles as Senior Vice President and Managing Director with multiple commercial lending institutions. Jenny spent more than a decade in Chicago with CIBC Bank, where she focused on business development and leveraged lending for middle-market companies and private equity sponsors. Jenny earned an MBA from DePaul University and a BA in Finance from Michigan State University.

Recent Charter Furniture Expertise





About Charter

Founded in 1989, Charter Capital Partners is a premier investment banking firm headquartered in Grand Rapids, Michigan. We offer a comprehensive range of investment banking advisory services, including sell-side and buy-side M&A, succession planning, business valuation, and capital raise.

Charter was named one of the top 100 most referred middle-market advisory firms in the US, according to a survey of 1,000 private equity firms, strategic acquirers, and family offices compiled by Axial, a network of middle market investors, advisors, and CEOs. Our mission is to deliver superior professional guidance throughout the complete business lifecycle.

Advisory Services Snapshot

Type	Expertise
M&A Advisory	▪ Sell-side advisory ▪ Buy-side advisory ▪ Succession planning ▪ Valuation services
Capital Raise	▪ Equity or debt capital raise ▪ Dividend recapitalization ▪ Solvency opinions ▪ Minority investors
Valuation Opinions	▪ Buy-sell agreements ▪ Gift, estate, and income tax matters ▪ Shareholder disputes ▪ Purchase price allocations
Capital Management	▪ Licensed Fund Management ▪ Registered Investment Advisers

Broker-dealer services offered through M&A Securities Group, Inc. ("MAS"), member FINRA/SIPC, a separate entity from Charter Capital Partners and Charter Private Capital Management.

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