

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 1-14445

HAVERTY FURNITURE COMPANIES, INC.

Maryland

58-0281900

(State of Incorporation)

(IRS Employer Identification Number)

780 Johnson Ferry Road, Suite 800, Atlanta, Georgia 30342

(Address of principal executive offices)

(404) 443-2900

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	HVT	NYSE
Class A Common Stock	HVTA	NYSE

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of June 30, 2023, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$455,006,020 (based on the closing sale prices of the registrant's two classes of common stock as reported by the New York Stock Exchange).

There were 14,864,697 shares of common stock and 1,281,395 shares of Class A common stock, each with a par value of \$1.00 per share outstanding at February 27, 2024.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the Annual Meeting of Stockholders to be held May 6, 2024 are incorporated by reference into Part III of this Annual Report on Form 10-K.

HAVERTY FURNITURE COMPANIES, INC.
Annual Report on Form 10-K for the year ended December 31, 2023

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FORWARD-LOOKING STATEMENTS

In addition to historical information, this document contains “forward-looking statements” – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition. These statements are within the meaning of Section 27A of the Securities Act of 1933 and Section 21F of the Securities Exchange Act of 1934.

Forward-looking statements include, but are not limited to:

- projections of sales or comparable store sales, gross profit, SG&A expenses, capital expenditures or other financial measures;
- descriptions of anticipated plans or objectives of our management for operations or products; including planned store openings and closures;
- forecasts of performance;
- anticipated impact on our business of macro-economic conditions; and
- assumptions regarding any of the foregoing.

Because these statements involve anticipated events or conditions, forward-looking statements often include words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “project,” “target,” “can,” “could,” “may,” “should,” “will,” “would,” or similar expressions.

These forward-looking statements are based upon assessments and assumptions of management in light of historical results and trends, current conditions and potential future developments that often involve judgment, estimates, assumptions and projections. Forward-looking statements reflect current views about our plans, strategies and prospects, which are based on information currently available.

Although we believe that our plans, intentions and expectations as reflected in or suggested by any forward-looking statements are reasonable, they are not guarantees. Actual results may differ materially from our anticipated results described or implied in our forward-looking statements, and such differences may be due to a variety of factors. Our business could also be affected by additional factors that are presently unknown to us or that we currently believe to be immaterial to our business. Important factors which could cause our actual results to differ materially from the forward-looking statements in this report include, but are not limited to, the following items, in addition to those matters described in the Risk Factors and Management’s Discussion and Analysis of Financial Condition and Results of Operations sections of this report:

- Competition from national, regional and local retailers of home furnishings;
- Our failure to anticipate changes in consumer preferences;
- Our ability to successfully implement our growth and other strategies;
- Our ability to maintain and enhance our brand;
- Importing a substantial portion of our merchandise from foreign sources;
- Significant fluctuations and volatility in the cost of raw materials and components;
- Our dependence on third-party producers to meet our requirements;
- A failure by our vendors to meet our quality control standards or comply with changes to the legislative or regulatory framework regarding product safety;
- Risks in our supply chain, including price, availability and quality of raw materials and components utilized in the products we sell and our ability to forecast our supply chain needs;
- Our reliance on third-party transportation vendors for product shipments from our suppliers;
- The effects of labor disruptions or labor shortages; and our ability to attract and retain key employees;
- The rise of oil and gasoline prices;
- Increased transportation costs;
- Damage to one of our distribution centers;
- The vulnerability of our information technology infrastructure to cyber-attacks, breaches and other disruptions;
- Changes in general domestic and international economic conditions such as inflation rates, interest rates, tax rates, unemployment rates, higher labor and healthcare costs, recessions, and changing government policies, laws and regulations;
- Pending or unforeseen litigation; and
- Other risks and uncertainties as may be detailed from time to time in our public announcements and Securities and Exchange Commission filings.

Discussed elsewhere in further detail in this report are some important risks, uncertainties and contingencies which could cause our actual results, performance or achievements to be materially different from any forward-looking statements made or implied in this report.

Forward-looking statements are only as of the date they are made and they might not be updated to reflect changes as they occur after the forward-looking statements are made. We assume no obligations to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. In evaluating forward-looking statements, you should consider these risks and uncertainties, together with the other risks described from time to time in our other reports and documents filed with the Securities and Exchange Commission, or SEC, and you should not place undue reliance on those statements.

We intend for any forward-looking statements to be covered by, and we claim the protection under, the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

PART I

ITEM 1. BUSINESS

Unless otherwise indicated by the context, we use the terms “Havertys,” “we,” “our,” or “us” when referring to the consolidated operations of Haverty Furniture Companies, Inc. and subsidiary.

Overview

Havertys is a specialty retailer of residential furniture and accessories. Our founder, J.J. Haverty began the business in 1885 in Atlanta, Georgia with one store and made deliveries using horse-drawn wagons. The Company grew to 18 stores and was incorporated in September 1929. Anticipating further growth, the Company accessed additional capital through its initial public offering in October 1929.

Havertys has grown to over 120 stores in 16 states in the Southern and Midwest regions. All of our retail locations are operated using the Havertys name, and we do not franchise our stores. Our brand recognition is very high in the markets we serve, and consumer surveys indicate Havertys is associated with a high level of quality, fashion, value, and service.

Customers

Havertys customers are typically well-educated women in middle to upper-to-middle income households. They generally own homes in the suburbs, and their diverse personalities are reflected in their unique sense of style. These consumers research and shop online and in-store, often engaging friends or family members in the purchasing process. They are discerning buyers, desiring furnishings that fit their style, but never sacrificing quality. Our marketing, merchandising, stores, online presence, and customer service are targeted to attract and meet the needs of our distinctive customers.

Merchandise and Revenues

We develop our merchandise selection with the diverse taste of our typical “on trend” customer in mind. A wide range of styles from traditional to contemporary are in our core assortment, and virtually all of the furniture merchandise we carry bears the Havertys brand. We also tailor our product offerings to the needs and tastes of the local markets we serve, emphasizing more “coastal,” “western” or “urban” looks as appropriate. Our custom upholstery programs and eclectic looks are an important part of our product mix and allow the on-trend consumer more self-expression.

We have avoided offering lower quality, promotional price-driven merchandise favored by many regional and national chains, which we believe would devalue the Havertys brand with the consumer. We carry nationally well-known mattress product lines such as Tempur-Pedic®, Serta®, Stearns and Foster®, Beautyrest®, and Sealy®.

Our customers use varying methods to purchase or finance their sales. As an added convenience to our customers, we offer financing by third-party finance companies. Sales financed by the third-party providers are not Havertys’ receivables; accordingly, we do not have any credit risk or servicing responsibility for these accounts, and there is no credit or collection recourse to Havertys. Slightly less than one-third of our sales are third-party-financed. The fees we pay to the third parties are included in our selling, general, and expenses (“SG&A”) as a selling expense.

We have a seasoned, commissioned-based sales team serving our customers. Their product knowledge is important in assisting customers in evaluating Havertys’ merchandise as compared to our competitors. We also offer a free in-home design service to those customers seeking a more in-depth personalized experience. The average sales ticket for a customer that has a designer visit their home is generally twice that of our average in-store sales ticket. Approximately 28.5% of our sales in 2023 resulted from consultations with our in-home designers.

Stores

As of December 31, 2023, we operated 124 stores serving 86 cities in 16 states with approximately 4.4 million retail square feet. Our stores range in size from 15,000 to 60,000 selling square feet, with the average being approximately 35,000 square feet. We strive to have our stores reflect the distinctive style and comfort consumers expect to find when purchasing their home furnishings. The store's location and curb appeal are important to the middle to upper-middle income consumer that we target, and attractive facades complement the quality and style of our merchandise. Interior details are also important for a pleasant and inviting shopping experience. We are very intentional in having open shopping spaces and our disciplined merchandise display ensures uniformity of presentations in-store, online and in our advertising.

Our goal, subject to market conditions and identifying suitable sites, is to open five new stores per year and to increase our retail square footage by approximately 2.8% in 2024. We are evaluating various "big box" former retail sites in the 30,000 to 32,000 square feet size range and other new locations for expansion. We currently have no plans to add stores outside our distribution footprint.

Online Presence

We consider our website an extension of our brick-and-mortar locations and not a separate segment of our business. Most customers will use the internet for inspiration and as a start to their shopping process to view products and prices. Our website features a variety of helpful tools including a design center with a 3-D room planner, upholstery customization, and inspired accessories. A large number of product reviews written by our customers are also provided, which some consumers find important in the decision-making process.

The next step in the purchase journey for most consumers is a visit to a store to touch, sit, and see merchandise in person. Our sales consultants also use online tools to further engage our customers while they are in the store. Customers may make their purchase in the store or opt to return home and finalize their decisions, place their orders online and set delivery. We limit internet sales of our furniture to within our delivery network, and internet sales of a selection of our accessories to within the continental United States. Our total sales completed online for 2023 were approximately 3.3% of our total 2023 business.

We made significant investments in our website during 2022. The site was launched in the fourth quarter featuring a new design and replatformed on a suite of Adobe solutions allowing for better search functionality, navigation, and enriched product pages. At the beginning of 2023, we onboarded a new business partner with deep Adobe experience to further improve the overall customer experience by optimizing site performance and usability. We also added more conversion event, traffic and conversion variables in Adobe Analytics which has allowed more refined and sophisticated A/B testing and improved insight into customer behavior. We continue to fine-tune the content management system as well as find opportunities to add more AI driven automation in an effort to improve the customer experience and increase sales conversion rates through our website and increase traffic to our stores.

We believe offering a direct-to-customer business complements our retail store operations as we serve the customer in the method of their choosing and leverage the power of high-touch service and online capabilities.

Suppliers and Supply Chain

We buy our merchandise from numerous foreign and domestic manufacturers and importers, the largest ten of which accounted for approximately 40.2% of our product purchases during 2023. Most of our wood products, or "case goods," are imported from Asia. Upholstered items are largely produced domestically, with the exception of our leather products which are primarily imported from Asia or Mexico.

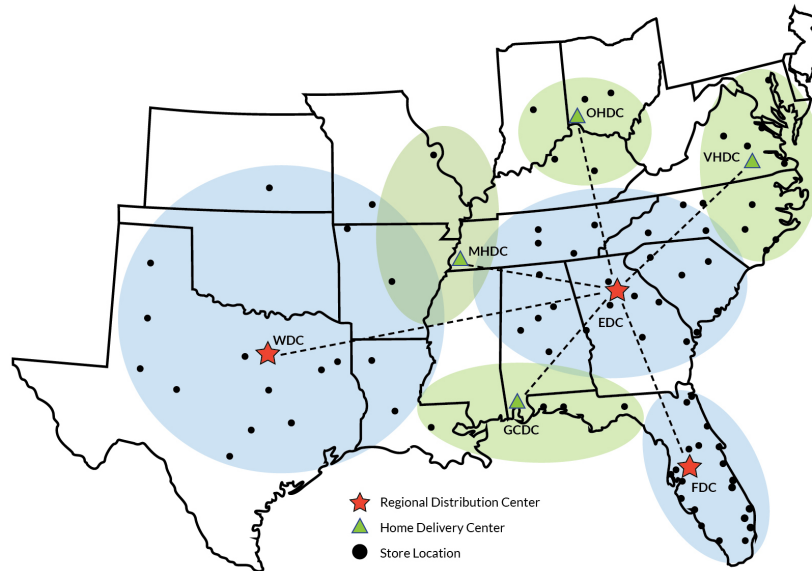
We purchase our furniture merchandise produced in Asia through sourcing companies and also buy direct from manufacturers. We have dedicated quality control specialists on-site during production to ensure the items meet our specifications. Our direct import team works with industry designers and manufacturers in some of the best factories throughout Asia. Approximately 19.4% of our case goods sales and 9.2% of our upholstery sales in 2023 were generated by our direct imports.

The longer lead times required for deliveries from overseas factories and the production of merchandise exclusively for Havertys makes it imperative for us to have both warehousing capabilities and end-to-end supply chain visibility. Our merchandising team provides input to the automated procurement process in an effort to maintain overall inventory levels within an appropriate range and reduce the number of written sales awaiting product delivery. We use real-time information to closely follow our import orders from the manufacturing plant through each stage of transit and using this data can more accurately set customer delivery dates prior to receipt of product.

Distribution

We believe that our distribution and delivery system is one of the best in the retail furniture industry and provides us with a significant competitive advantage. Our distribution system uses a combination of three distribution centers ("DCs") and four home delivery centers ("HDCs"). The DCs receive both domestic product and containers of imported merchandise. A warehousing management system, using radio frequency scanners, tracks each piece of inventory in real time and allows for random storage in the warehouse and efficient scheduling and changing of the workflow. The DCs are also designed to shuttle prepped merchandise up to 250 miles for next-day home deliveries and serve HDCs within a 500-mile radius. The HDCs provide service to markets within an additional 250 miles. We use third parties to handle over-the-road delivery of product from the DCs to the HDCs and market areas. We use Havertys team members for executing home delivery, and have branded this service "Top Drawer Delivery," an important function serving as the last contact with our customers in the purchase process. Operating standards in our warehouse and delivery functions provide measurements for determining staffing needs and increasing productivity.

Time between purchase and delivery averages 3 to 5 days for in-stock items and 5 to 7 weeks for special order items.



Human Capital Resources

As of December 31, 2023, Havertys' total workforce was 2,574: 1,561 in our retail store operations, 779 in our warehouse and delivery points, 177 in our corporate operations, and 57 in our customer-service call centers. None of our team members is a party to a union contract.

Health and Safety

We care about our teammates, customers, and the communities we serve. We believe a hazard-free environment is a critical enabler for the success of our business. We have a strong safety program that focuses on implementing policies and training programs to ensure our team members can leave their job and return home safely every day.

Culture and Engagement

Integrity and teamwork are two of our core values. These drive our approach in our everyday operations with our customers, suppliers and teammates and we believe that the best results happen when we work together. At Havertys, we see strength in America's many faces, cultures, and colors. Each person offers a unique point of view and presents a fresh perspective integral to supporting innovation. We are committed to differing perspectives across all levels of our workforce to improve our business and reflect the vibrant and thriving diversity of the communities in which we live and work.

We periodically conduct an Employee Engagement Survey (the "Survey") as a means of measuring employee engagement and satisfaction and offering employees the chance to feel heard.

Retention and Development

Our compensation programs are designed to attract, retain, and motivate team members to achieve superior results. Havertys' total compensation for teammates comprises a variety of components, including competitive pay consistent with positions, skill levels, experience, and knowledge. We also offer competitive benefits, including access to healthcare plans, financial and physical wellness programs, paid time off, parental leave and retirement benefits.

We are committed to supporting our teammates' continuous development of professional, technical and leadership skills through corporate training programs, access to digital learning resources and through partnerships with local technical learning institutions. In 2023, Havertys team members consumed approximately 93,000 hours of learning. We also offer the opportunity for team members to pursue degree programs, professional certificates, and individual courses in strategic fields of study through our tuition reimbursement program.

Competition

The retail sale of home furnishings is a highly fragmented and competitive business. There has been growth in the e-commerce channel both from internet only retailers, from start-up furniture retailers and larger more established retailers, and those with a brick-and-mortar presence. The degree and sources of brick-and-mortar retail competition varies by geographic area. We compete with numerous individual retail furniture stores as well as national and regional chains. Retail stores opened or operated by furniture manufacturers in an effort to control and protect the distribution prospects of their branded merchandise compete with us in certain markets. Mass merchants, certain department stores, and some electronics and appliance retailers also have limited furniture product offerings.

We believe Havertys is uniquely positioned in the marketplace, with a targeted mix of merchandise that appeals to customers who are somewhat more affluent than those of promotional price-oriented furniture stores. Our online presence provides most elements of a seamless, omni-channel approach that many of our competitors do not have or cannot replicate. We consider our custom order capabilities, free in-home design service, the tailoring of merchandise on a local market basis, and the ability to make prompt delivery of orders through maintenance of inventory to be significant competitive advantages.

Seasonality

Our business is affected by traditional retail seasonality, advertising and promotion programs, and general economic trends. We historically achieve our smallest quarter by revenues in the second quarter and the largest in the fourth quarter. The "nesting" response generated by COVID-19 created outsized demand beginning in the second quarter of 2020 and, when combined with the strong housing market contributed to the strong sales levels we experienced through 2021. During 2022, our business began reverting to its more historical patterns, with a return to increased shopping on weekends and during traditional extended holiday periods.

Trademarks and Domain Names

We have registered our various logos, trademarks and service marks. We believe that our trademark position is adequately protected in all markets in which we do business. In addition, we have registered and maintain numerous internet domain names including "havertys.com." Collectively, the logos, trademarks, service marks and domain names that we hold are of material importance to us.

Available Information

Our internet website address is www.havertys.com. In addition to the information about us contained in this 2023 Form 10-K, information about us can be found on our Investor Relations website at www.ir.havertys.com. This website contains a significant amount of information about us, including our corporate governance principles and practices and financial and other information. We are not including this or any other information on our website as a part of, nor incorporating it by reference into, this 2023 Form 10-K or any of our other filings with the Securities and Exchange Commission ("SEC").

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports are available free of charge on our website at www.ir.havertys.com as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The SEC also maintains a website that contains our SEC filings at www.sec.gov.

ITEM 1A. RISK FACTORS

The following discussion of risk factors contains forward-looking statements. These risk factors may be important to understanding any statement in this annual report on Form 10-K or elsewhere. The following information should be read in conjunction with Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" (MD&A), and the consolidated financial statements and related notes in Part II, Item 8. "Financial Statements and Supplementary Data" of this annual report on Form 10-K.

We routinely encounter and address risks, some of which may cause our future results to be different – sometimes materially different – than we presently anticipate. The following factors, as well as others described elsewhere in this report or in our other filings with the SEC, that could materially affect our business, financial condition or operating results should be carefully considered. Below, we describe certain important operational and strategic risks and uncertainties, but they are not the only risks we face. Our reactions to material future developments, as well as our competitors' reactions to those developments, may also impact our business operations or financial results. If any of the following risks actually occur, our business, financial condition or operating results may be adversely affected.

Risks Related to Our Business

We face significant competition from national, regional and local retailers of home furnishings.

The retail market for home furnishings is highly fragmented and intensely competitive. We currently compete against a diverse group of retailers, including internet-only retailers, regional or independent specialty stores, dedicated franchises of furniture manufacturers and national department stores. In addition, there are few barriers to entry into our current and contemplated markets, and new competitors may enter our current or future markets at any time. Our existing competitors or new entrants into our industry may use a number of different strategies to compete against us, including aggressive advertising, pricing and marketing, social media campaigns and extension of credit to customers on terms more favorable than we offer. Furthermore, some of our competitors have greater financial resources and larger customer bases than we have, and as a result may have a more advanced multichannel platform, be able to adapt quicker to changes in consumer behavior, have attractive customer loyalty programs, and maintain higher profitability in an aggressive low-pricing environment. Rapidly evolving technologies are altering the manner in which retailers communicate and transact with customers, led by internet-based and multichannel retailers that have made significant investments in recent years, including with pricing technology and shipping capabilities.

Competition from any of these sources could cause us to lose market share, revenues and customers; increase expenditures; or reduce prices, any of which could have a material adverse effect on our results of operations.

If we fail to successfully anticipate or respond to changes in consumer preferences in a timely manner, our sales may decline.

Our products must appeal to our target consumers whose preferences, tastes and trends cannot be predicted with certainty and are subject to change. We continuously monitor changes in home design trends through attendance at international industry events and fashion shows, internal marketing research, and regular communication with our retailers and design professionals who provide valuable input on consumer tendencies. However, as with all retailers, our business is susceptible to changes in consumer tastes and trends. Our success depends upon our ability to anticipate and respond in a timely manner to fashion trends relating to home furnishings. If we fail to successfully identify and respond to these changes, our sales may decline.

Our future success is largely dependent on our ability to successfully implement our growth and other strategies.

Our future success, including our ability to achieve growth and increased profitability, is dependent on the ability of our management team to execute on our long-term business strategy, which includes increasing our retail footprint, expanding our online presence, increasing the efficiency and profitability of our operations, introducing new products in the marketplace and driving increased traffic to our retail stores and e-commerce site through updated marketing efforts. If any of these initiatives are not successful, or require extensive investment, our growth may be limited, and we may be unable to achieve or maintain expected levels of growth and profitability. Furthermore, our ability to expand our retail footprint is dependent on our ability to identify, secure and develop new retail locations, which involves factors outside of our control.

Inability to maintain and enhance our brand may materially adversely impact our business.

Maintaining and enhancing our brand is critical to our ability to retain and expand our base of customers and may require us to make substantial investments. Our advertising campaigns utilize digital, television, and social media to maintain and enhance our existing brand equity. We cannot provide assurance that our marketing, advertising, and other efforts to promote and maintain awareness of our brand will be successful and we may incur substantial costs in such efforts. Furthermore, our brand and reputation could be harmed by negative media, including social media, attention, negative online reviews, cybersecurity incidents, product liability or safety concerns or other matters. If our marketing, advertising, and other efforts are unsuccessful or our brand or reputation is damaged, our business, operating results and financial condition could be materially adversely affected.

We import a substantial portion of our merchandise from foreign sources. This exposes us to certain risks that include political and economic conditions. Changes in exchange rates or tariffs could impact the price we pay for these goods, resulting in potentially higher retail prices and/or lower gross profit on these goods.

Based on product costs, approximately 61% of our total furniture purchases (which exclude accessories and mattresses) in 2023 were for goods that were not produced domestically. All our purchases are denominated in U.S. dollars. As exchange rates between the U.S. dollar and certain other currencies become unfavorable, the likelihood of price increases from our vendors increases. Some of the products we purchase are also subject to tariffs. If tariffs are imposed on additional products or the tariff rates are increased, our vendors may increase their prices. Such changes, if they occur, could have one or more of the following impacts:

- we could be forced to raise retail prices so high that we are unable to sell the products at current unit volumes;
- if we are unable to raise retail prices commensurately with the cost increases, gross profit as recognized under our LIFO inventory accounting method could be negatively impacted; or
- we may be forced to find alternative sources of comparable product, which may be more expensive than the current product or of lower quality, or the vendor may be unable to meet our requirements for quality, quantities, delivery schedules or other key terms.

We are dependent upon the ability of our third-party producers to meet our requirements; any failures by these producers, or the unavailability of suitable suppliers at reasonable prices or limitations on our ability to source from third-party producers may negatively impact our ability to deliver quality merchandise to our customers on a timely basis or result in higher costs or reduced net sales.

We source substantially all of our products from non-exclusive, third-party producers, many of which are located in foreign countries. Although we have long-term relationships with many of our suppliers, we must compete with other companies for the production capacity of these independent manufacturers. We regularly depend upon the ability of third-party producers to secure a sufficient supply of raw materials, develop a skilled workforce, adequately finance the production of goods ordered and maintain sufficient manufacturing and shipping capacity. Although we monitor production and quality in many third-party manufacturing locations, we cannot be certain that we will not experience operational difficulties with our manufacturers, such as the reduction of availability of production capacity, errors in complying with product specifications, insufficient quality control, failures to meet production deadlines or increases in manufacturing costs. Such difficulties may negatively impact our ability to deliver quality products to our customers on a timely basis, which may, in turn, have a negative impact on our customer relationships and result in lower net sales.

We also require third-party producers to meet certain standards in terms of working conditions, environmental protection and other matters before placing business with them. As a result of costs relating to compliance with these standards, we may pay higher prices than some of our competitors for products. In addition, failure by our independent manufacturers to adhere to ethical labor or other laws or business practices, and the potential litigation, negative publicity and political pressure relating to any of these events, could disrupt our operations or harm our reputation.

Our vendors might fail in meeting our quality control standards or reacting to changes to the legislative or regulatory framework regarding product safety.

All of our vendors must comply with applicable product safety laws and regulations, and we are dependent on them to ensure that the products we buy comply with all safety standards as well applicable quality standards. Any actual, potential or perceived product safety concerns could expose us to government enforcement action or private litigation and could result in recalls and other liabilities. Such exposure could harm our brand's image and negatively affect our business and operating results. Furthermore, concerns around the quality of the products we sell could damage our reputation and result in loss of future revenues.

Significant fluctuations in the price, availability and quality of raw materials and components could adversely affect our profits.

The primary materials our vendors use to produce and manufacture our products are various woods and wood products, resin, steel, leather, cotton, and certain oil-based products. On a global and regional basis, the sources and prices of those materials and components are susceptible to significant price fluctuations due to supply/demand trends, transportation costs, government regulations and tariffs, changes in currency exchange rates, price controls, the economic and political climate, and other unforeseen circumstances. While the global supply chain challenges experienced as a result of the COVID-19 pandemic lessened over the past two years, there can be no assurance that further challenges, including shutdowns and shipping delays, will not occur. Such supply chain disruptions could materially adversely impact the ability of our suppliers to fulfil our orders in a timely manner, if at all, and could lead to increased prices, which we may not be able to pass through to our customers.

Our revenue can be adversely affected by our ability to successfully forecast our supply chain needs and our foreign manufacturers' ability to comply with international trade rules and regulations.

Optimal product flow is dependent on demand planning and forecasting, supplier production according to such planning, and timely transportation. We often make commitments to purchase products from our vendors in advance of proposed production dates. Significant deviation from the projected demand for products that we sell may have an adverse effect on our results of operations and financial condition, either from lost sales or lower margins resulting from inventory-driven price reductions. Disruptions to our supply chain could result in late product arrivals. Increased levels of out-of-stock merchandise and loss of confidence by customers in our ability to deliver goods as promised could negatively affect sales.

In addition, there is a risk that compliance lapses by our foreign manufacturers could occur which could lead to investigations by U.S. government agencies responsible for international trade compliance. Resulting penalties or enforcement actions could delay future imports or otherwise negatively impact our business. There also remains a risk that one or more of our foreign manufacturers will not adhere to applicable legal requirements or our compliance standards such as fair labor standards, the prohibition on child labor and other product safety or manufacturing safety standards. The violation of applicable legal requirements, including labor, manufacturing and safety laws, by any of our manufacturers, the failure of any of our manufacturers to adhere to our global compliance standards or the divergence of the labor practices followed by any of our manufacturers from those generally accepted in the U.S. could disrupt our supply of products from our manufacturers, could result in potential liability to us or could harm our reputation and brand, any of which could negatively affect our business and operating results.

We rely on third party transportation providers for substantially all of our product shipments from our vendors.

We rely on third party service providers for substantially all of our product shipments from our vendors, both domestic and foreign, to our DCs and also to handle over-the-road delivery of product from the DCs to our HDCs and some market areas. Our and our vendors' utilization of these shipping services is subject to risks that are outside of our control, including increases in fuel prices and labor costs, employee strikes, labor shortages, strikes and union organizing activity, delays in shipping (including congestion at domestic and foreign ports), delays in unloading cargo from ships, availability of adequate trucking or railway providers, adverse weather, natural disasters, possible acts of terrorism and outbreaks of disease. All of these risks may impact our ability to receive products from our vendors to necessary points in our distribution system in a cost-effective and timely manner.

Any increases in these shipping costs may result in higher costs to us, and we may be unsuccessful in passing along these costs to our customers, negatively impacting our margins and profitability. Furthermore, any delays in receiving products may negatively impact our ability to deliver these products to our customers in a timely manner. Failure to make timely customer deliveries or long lead times for products could cause customers to cancel their orders or not place orders, which, could damage our brand and reputation and negatively impact our business, financial condition, operating results and prospects.

Because of our limited number of distribution centers, our operating results could suffer if one is damaged.

We utilize three large distribution centers to flow our merchandise from the vendor to the consumer. This system is very efficient for reducing inventory requirements but makes us operationally vulnerable should one of these facilities become damaged or experience significant business interruption. If such an interruption were to occur, our ability to deliver our products in a timely manner would likely be impacted.

We rely extensively on information technology systems to process transactions, summarize results, and manage our business. Disruptions in our information technology systems could adversely affect our business and operating results.

Our ability to operate our business from day to day, in particular our ability to manage our point-of-sale, distribution system and payment information, largely depends on the efficient operation of our computer hardware and software systems. We use management information systems to communicate customer information, provide real-time inventory information, and to handle all facets of our distribution system from receipt of goods in the DCs to delivery to our customers' homes. These systems are subject to damage or interruption from power outages, computer and telecommunications failures, viruses, phishing attempts, cyber-attacks, malware and ransomware attacks, security breaches, severe weather, natural disasters, and errors by employees.

The failure of these systems to operate effectively, problems with integrating various data sources, challenges in transitioning to upgraded or replacement systems, difficulty in integrating new systems, or a breach in security of these systems could adversely impact the operations of our business. Though losses arising from some of these issues would be covered by insurance, interruptions of our critical business information technology systems or failure of our back-up systems could result in longer production times or negatively impact customers resulting in damage to our reputation and a reduction in sales. If our critical information technology systems or back-up systems were damaged or ceased to function properly, we might have to make a significant investment to repair or replace them.

Successful cyber-attacks and the failure to maintain adequate cyber-security systems and procedures could materially harm our business.

Cyber threats are rapidly evolving, and those threats and the means for obtaining access to information in digital and other storage media are becoming increasingly sophisticated. Cyber threats and cyber-attackers, including ransomware attacks, can be sponsored by countries or sophisticated criminal organizations or be the work of single "hackers" or small groups of "hackers."

We invest in industry standard security technology to protect the Company's data and business processes against risk of data security breach and cyber-attack. Our data security management program includes identity, trust, vulnerability and threat management business processes as well as adoption of standard data protection policies. We measure our data security effectiveness through industry accepted methods. We are continuously installing new and upgrading existing information technology systems. We use employee awareness training around phishing, malware, and other cyber risks to ensure that the Company is protected, to the greatest extent possible, against cyber risks and security breaches. We are regularly the target of attempted cyber and other security threats and must continuously monitor and develop our information technology networks and infrastructure to prevent, detect, address and mitigate the risk of unauthorized access, misuse, computer viruses and other events that could have a security impact. Insider or employee cyber and security threats are increasingly a concern for all companies, including ours. Additionally, we certify our major technology suppliers and any outsourced services through accepted security certification standards.

Nevertheless, as cyber threats evolve, change and become more difficult to detect and successfully defend against, one or more cyber-attacks might defeat our or a third-party service provider's security measures in the future and could result in the leak of personal information of customers, employees or business partners. Employee error or other irregularities may also result in a failure of our security measures and a breach of information systems. Moreover, hardware, software or applications we use may have inherent defects of design, manufacture or operations or could be inadvertently or intentionally implemented or used in a manner that could compromise information security. A security breach and loss of information may not be discovered for a significant period of time after it occurs. While we have no knowledge of a material security breach to date, any compromise of data security could result in a violation of applicable privacy and other laws or standards, the loss of valuable business data, or a disruption of our business. In addition, the costs to eliminate or alleviate network security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and our efforts to address these problems may not be successful and could result in potential theft, loss, destruction or corruption of information we store electronically, as well as unexpected interruptions, delays or cessation of service, any of which could cause harm to our business operations.

Moreover, a security breach involving the misappropriation, loss or other unauthorized disclosure of sensitive or confidential information could give rise to unwanted media attention, materially damage our customer relationships and reputation, and result in litigation or fines, fees, or potential liabilities, which may not be covered by our insurance policies, each of which could have a material adverse effect on our business, results of operations and financial condition.

We may be unable to attract, train, engage and retain key teammates.

Our long-term success and ability to implement our strategic and business planning goals depends on our ability to attract, motivate and retain a sufficient number of store and other employees who understand and appreciate our corporate culture and customers. Turnover in the retail industry is generally high. Excessive employee turnover will result in higher employee costs associated with finding, hiring and training new store employees. Furthermore, labor shortages and competition may make it more difficult for us to adequately staff our retail stores and distribution operations and may result in increased labor expenses to us. If we are unable to hire and retain store and other personnel capable of consistently providing a high level of customer service, our ability to open new stores and service the needs of our customers may be impaired, the performance of our existing and new stores and operations could be materially adversely affected and our brand image may be negatively impacted.

We must also be able to attract, motivate and retain the teammates who staff our distribution centers, customer service centers, and deliver product to our customers, and professionals to implement our technology and other strategic initiatives. Our ability to meet our labor needs while controlling labor costs is subject to numerous external factors, including market pressures with respect to prevailing wage rates, equity compensation, unemployment levels, and health and other insurance costs; the impact of legislation or regulations governing labor and employee relations, immigration, federal and state minimum wage requirements, and benefit costs; changing demographics; and our reputation within the labor market. If we are

unable to attract and retain a workforce that meets our needs, our operations, service levels, support functions, and competitiveness could suffer and our results could be adversely affected.

A failure to recruit, develop and retain effective leaders or the loss or shortage of personnel with key capacities and skills could impact our strategic growth plans and jeopardize our ability to meet our business performance expectations and growth targets.

Our ability to continue to grow our business depends substantially on the contributions and abilities of our executive leadership team and other key management personnel. Changes in senior management could expose us to significant changes in strategic direction and initiatives. A failure to maintain appropriate organizational capacity and capability to support our strategic initiatives or to build adequate bench strength with key skillsets required for seamless succession of leadership, could jeopardize our ability to meet our business performance expectations and growth targets. If we are unable to attract, develop, retain and incentivize sufficiently experienced and capable management personnel, our business and financial results may suffer.

General Risks

An overall decline in the health of the economy and consumer spending may affect consumer purchases of discretionary items, which could reduce demand for our products and materially harm our sales, profitability and financial condition.

Our business depends on consumer demand for our products and, consequently, is sensitive to a number of factors that influence general consumer spending on discretionary items in particular. Factors influencing consumer spending include general economic conditions, consumer disposable income, fuel prices, inflation, recession and fears of recession, unemployment, inclement weather, availability of consumer credit, consumer debt levels, conditions in the housing market, interest rates, sales tax rates and rate increases, sustained periods of inflation, civil disturbances and terrorist activities, foreign currency exchange rate fluctuations, consumer confidence in future economic and political conditions, natural disasters, and consumer perceptions of personal well-being and security, including health epidemics or pandemics, such as the COVID-19 pandemic. Prolonged or pervasive economic downturns could slow the pace of new store openings or cause current stores

to temporarily or permanently close. Adverse changes in factors affecting discretionary consumer spending have reduced and may continue to further reduce consumer demand for our products, thus reducing our sales and harming our business and operating results.

Historically, because customers consider home furnishings to be postponable purchases, the home furnishings industry has been subject to cyclical variations in the general economy and to uncertainty regarding future economic prospects.

The rise of oil and gasoline prices could affect our profitability.

A significant increase in oil and gasoline prices could adversely affect our profitability. In addition, governmental efforts to combat climate change through reduction of greenhouse gases may result in higher fuel costs through taxation or other means. Our distribution system, which utilizes three DCs and multiple home delivery centers is very transportation dependent and includes the use of third-party providers to reach the 22 states and the District of Columbia that we serve from our stores across 16 Southern and Midwestern states. Merchandise is delivered to customers' homes by Havertys delivery teams. If transportation costs exceed amounts we are able to effectively pass on to the consumer, either by higher prices and/or higher delivery charges, then our profitability will suffer.

ESG risks could adversely affect our reputation and shareholder, employee, customer and third-party relationships and may negatively affect our stock price.

Businesses face increasing public scrutiny related to environmental, social and governance ("ESG") activities. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as environmental stewardship, including with respect to climate change, human capital management, support for our local communities, corporate governance and transparency, or fail to consider ESG factors in our business operations.

Additionally, investors and shareholder advocates are placing ever increasing emphasis on how corporations address ESG issues in their business strategy when making investment decisions and when developing their investment theses and proxy recommendations. We may incur meaningful costs with respect to our ESG efforts and if such efforts are negatively perceived, our reputation and stock price may suffer.

Pending or unforeseen litigation and the potential for adverse publicity associated with litigation could have a material adverse effect on us.

We are involved from time to time in various legal proceedings arising in the ordinary course of our business, including commercial, consumer safety, product liability, employment and intellectual property claims. We currently do not expect the outcome of any pending matters to have a material adverse effect on our consolidated results of operations, financial position or cash flows. Litigation, however, is inherently unpredictable, and it is possible that the ultimate outcome of one or more pending claims asserted against us, or claims that may be asserted in the future that we are currently not aware of, or adverse publicity resulting from any such litigation, could adversely impact our business, reputation, sales, profitability, cash flows and financial condition.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. Cybersecurity

Risk management and strategy

We have processes in place to identify, assess and monitor material risks from cybersecurity threats. These processes are part of our overall enterprise risk management process and are part of our operating procedures, internal controls, and information systems. These risks include, among other things, operational risks; fraud; extortion; harm to employees or customers; violation of privacy or security laws and other litigation and legal risk; and reputational risks. We have developed and implemented a cybersecurity framework intended to assess, identify and manage risks from threats to the security of our information, systems, and network using a risk-based approach. The framework is informed in part by the National Institute of Standards and Technology (NIST) Cybersecurity Framework, although this does not imply that we meet all technical standards, specifications or requirements under the NIST.

Our key cybersecurity processes include the following:

- Risk-based controls for information systems and information on our networks: We seek to maintain an information technology infrastructure that implements physical, administrative and technical controls that are calibrated based on risk and designed to protect the confidentiality, integrity and availability of our information systems and information stored on our networks, including customer and employee information.
- Cybersecurity incident response plan and testing: We have a cybersecurity incident response plan and dedicated teams to respond to cybersecurity incidents. When a cybersecurity incident occurs or we identify a vulnerability, we have cross-functional teams that are responsible for leading the initial assessment of priority and severity, and external experts may also be engaged as appropriate. Our cybersecurity teams assist in responding to incidents depending on severity levels and seek to improve our cybersecurity incident management plan through periodic tabletops or simulations.
- Training: We provide security awareness training to help our employees understand their information protection and cybersecurity responsibilities. We also provide additional training to some employees based their roles.
- Supplier risk assessments: Our processes also address cybersecurity threat risks associated with our use of third-party service providers, including those in our supply-chain or who have access to our customer and employee data on our systems. Third-party risks are included within our risk management assessment program, as well as our cybersecurity-specific risk identification program. These considerations affect the selection and access to our systems, data, or facilities. We also seek contractual commitments from key suppliers to appropriately secure and maintain their information technology systems and protect our information that is processed on their systems.
- Third-party assessments: We have third-party cybersecurity companies engaged to periodically assess our cybersecurity posture, to assist in identifying and remediating risks from cybersecurity threats. We have implemented several cybersecurity processes, technologies, and controls to aid in our efforts to assess, identify, and manage such risks.

As part of the above processes, we regularly engage with consultants, auditors, and other third-parties, including reviewing our cybersecurity program to help identify areas for continued focus, improvement and/or compliance.

To date, risks from cybersecurity threats or incidents have not materially affected the Company. However, the sophistication of and risks from cybersecurity threats and incidents continues to increase, and the preventative actions we have taken and continue to take to reduce these risks and protect our systems and information may not successfully protect against all cybersecurity threats and incidents. For more information on how cybersecurity risk could materially affect our business strategy, results of operations, or financial condition, please refer to Item 1A Risk Factors.

Cybersecurity Governance

The board of directors, as a whole, has oversight responsibility for our strategic and operational risks. The audit committee regularly reviews and discusses with management the strategies, processes and controls pertaining to the management of our information technology operations, including cyber risks and cybersecurity. Our Chief Information Officer (CIO) and other internal members of our technology team provide regular reports to the audit committee regarding the evolving cybersecurity landscape, including emerging risk, as well as our processes, program and initiatives for managing these risks. The audit committee, in turn, periodically reports on its review with the board of directors.

Management is responsible for day-to-day assessment and management of cybersecurity risks. Our cybersecurity risk management and strategy processes are led by our CIO, VP Information Technology, and Manager of Security. Such individuals have collectively over 50 years of work experience in various roles managing information security, developing cybersecurity strategy, and implementing effective information and cybersecurity programs.

The CIO also presents at least annually to the Board an overview of our cybersecurity threat risk management and strategy processes covering topics such as data security posture, results of third-party assessments, our incident response plan, and cybersecurity threat risks or incidents and developments, as well as the steps management has taken to respond to such risks.

ITEM 2. PROPERTIES

Stores

Our retail store space at December 31, 2023 totaled approximately 4.4 million square feet for 124 stores. The following table sets forth the number of stores we operated at December 31, 2023 by state:

State	Number of Stores	State	Number of Stores
Florida	30	Maryland	4
Texas	21	Arkansas	3
Georgia	15	Louisiana	3
North Carolina	10	Ohio	3
Virginia	10	Kentucky	2
South Carolina	7	Missouri	2
Alabama	6	Indiana	1
Tennessee	6	Kansas	1

The 39 retail locations which we owned at December 31, 2023 had a net book value for land and buildings of \$65.0 million. The remaining 85 locations are leased by us with various termination dates through 2035 plus renewal options.

Distribution Facilities

All of our distribution facilities at December 31, 2023 were leased except for the Florida and Virginia properties. Our regional distribution facilities are in the following locations:

Location	Approximate Square Footage
Braselton, Georgia	808,000
Coppell, Texas	409,000
Lakeland, Florida	335,000
Colonial Heights, Virginia	129,000
Fairfield, Ohio	72,000
Theodore, Alabama	42,000
Memphis, Tennessee	30,000

Corporate Facilities

We lease approximately 48,000 square feet on two floors of a suburban mid-rise office building located at 780 Johnson Ferry Road, Suite 800, Atlanta, Georgia.

We believe that our facilities are suitable and adequate for present purposes, and that the productive capacity in such facilities is substantially being utilized. For additional information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this report under Item 7 of Part II.

ITEM 3. LEGAL PROCEEDINGS

The Company is subject to various claims and legal proceedings covering a wide range of matters, including with respect to product liability and personal injury claims, that arise in the ordinary course of its business activities. We currently have no pending claims or legal proceedings that we believe would be reasonably likely to have a material adverse effect on our financial condition, results of operations or cash flows. However, there can be no assurance that either future litigation or an unfavorable outcome in existing claims will not have a material impact on our business, reputation, financial position, cash flows or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Our executive officers are elected or appointed annually by the Board of Directors for terms of one year or until their successors are elected and qualified, subject to removal by the Board at any time. The following are the names, ages and current positions of our executive officers and, if they have not held those positions for the past five years, their former positions during that period with Havertys or other companies.

Name, age and office (as of March 1, 2024) and year elected to office				Principal occupation during last five years other than office of the Company currently held
Clarence H. Smith	73	Chairman of the Board	2012	President and Chief Executive Officer, 2002-March 1, 2021
		Chief Executive Officer	2002	
		Director	1989	
Steven G. Burdette	62	President	2021	Executive Vice President, Operations 2017-March 1, 2021 Executive Vice President, Stores, 2008-2017
J. Edward Clary	63	Executive Vice President, and Chief Information Officer	2015	Has held this position for the last five years.
John L. Gill	60	Executive Vice President, Merchandising	2019	Senior Vice President, Merchandising 2018-2019; Vice President, Merchandising 2017-2018
Richard B. Hare	57	Executive Vice President and Chief Financial Officer	2017	Has held this position for the last five years.
Helen B. Bautista	57	Senior Vice President, Marketing	2021	Vice President, Marketing for Havertys, 2019-March 1, 2021; Senior Vice President Group Account Director, 2018-2019 for Fitzco, a McCann World Group Agency
Kelley A. Fladger	54	Senior Vice President and Chief Human Resources Officer	2019	Vice President, Human Resource Services, 2016-2019 and Chief Diversity and Inclusion Officer, 2017-2019 for Perdue Farms, Inc.
Jenny Hill Parker	65	Senior Vice President, Finance, and Corporate Secretary	2019	Senior Vice President, Finance, Treasurer and Corporate Secretary 2010-2019
Janet E. Taylor	62	Senior Vice President, General Counsel	2010	Has held this position for the last five years

Clarence H. Smith and one of our directors, Rawson Haverty, Jr., are first cousins.

PART II

ITEM 5. MARKET FOR THE REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

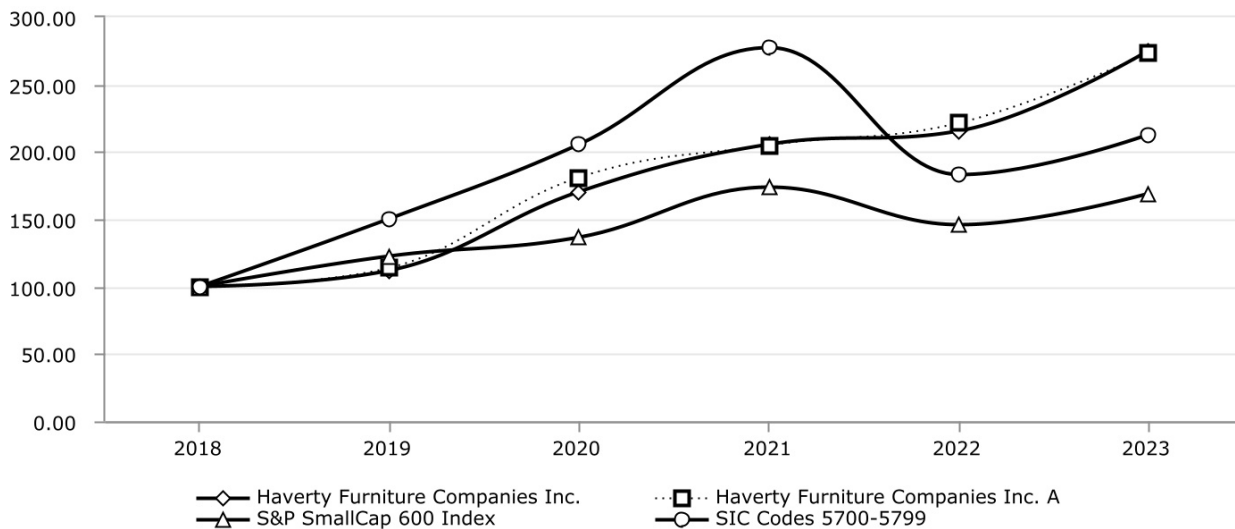
Market Information

Our stock began trading publicly in October 1929. We have two classes of common stock which trade on The New York Stock Exchange (“NYSE”) under the symbol HVT for our common stock (“Common Stock”) and HVT.A for our Class A Common stock (“Class A Common Stock”).

Stock Performance Graph

The following graph compares the performance of Haverty’s Common Stock and Class A Common Stock against the cumulative return of the NYSE/AMEX/Nasdaq Home Furnishings & Equipment Stores Index (SIC Codes 5700 – 5799) and the S&P SmallCap 600 Index for the period of five years commencing December 31, 2018 and ending December 31, 2023. The graph assumes an initial investment of \$100 on January 1, 2018 and reinvestment of dividends. NOTE: Prepared by Zacks Investment Research, Inc. Used with permission. All rights reserved. Copyright 1980-2024. Index Data: Copyright Standard and Poor’s, Inc. Used with permission. All rights reserved.

Comparison of 5 Year Cumulative Total Return
Assumes Initial Investment of \$100
December 2023



	2018	2019	2020	2021	2022	2023
HVT	\$ 100.00	\$ 111.59	\$ 170.53	\$ 205.69	\$ 215.60	\$ 274.78
HVT-A	\$ 100.00	\$ 113.83	\$ 180.99	\$ 204.99	\$ 221.09	\$ 272.82
S&P SmallCap 600 Index	\$ 100.00	\$ 122.78	\$ 136.64	\$ 173.29	\$ 145.39	\$ 168.73
SIC Codes 5700-5799	\$ 100.00	\$ 150.35	\$ 205.18	\$ 277.11	\$ 182.77	\$ 212.77

Stockholders

Based on the number of individual participants represented by security position listings, there are approximately 11,400 holders of our common stock and 200 holders of our Class A common stock as of February 5, 2024.

Dividends

We have historically paid and expect to continue to pay for the foreseeable future, quarterly cash dividends on our Common Stock and Class A Common Stock. The payment of dividends and the amount are determined by the Board of Directors and depend upon, among other factors, our earnings, operations, financial condition, capital requirements and general business outlook at the time such dividends are considered. We have paid a cash dividend in each year since 1935. Our credit agreement includes covenants that may restrict our ability to pay dividends. For more information, see Note 5, "Credit Arrangement," and Note 9, "Stockholders' Equity," in the Notes to Consolidated Financial Statements.

Equity Compensation Plans

For information regarding securities authorized for issuance under our equity compensation plans, see Part III, Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters."

Issuer Purchases of Equity Securities

The board of directors has authorized management, at its discretion, to purchase limited amounts of our Common Stock and Class A Common Stock. The program was initially approved by the board on November 3, 1986 and the board has subsequently authorized additional amounts for repurchase. The current repurchase authorization was approved on August 5, 2022, when the board of directors authorized an additional \$25.0 million for our stock repurchase program. The stock repurchase program has no expiration date but may be terminated by our board at any time.

The following table presents information with respect to our repurchase of Havertys' common stock during the fourth quarter of 2023:

	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs
October 1 - October 31	—	\$ —	—	\$ 16,814,000
November 1 - November 30	99,768	\$ 29.55	99,768	\$ 13,865,000
December 1 - December 31	23,082	\$ 32.61	23,082	\$ 13,113,000
Total	<u>122,850</u>		<u>122,850</u>	

ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion provides an analysis of the Company's financial condition and results of operations from management's perspective and should be read in conjunction with the consolidated financial statements and related notes included in this report. The discussion in this Form 10-K generally focuses on the year ended December 31, 2023 compared to the year ended December 31, 2022. A discussion of our results of operations and changes in financial condition for the 2022 year compared to 2021 has been excluded from this report, but can be found in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our Form 10-K for the year ended December 31, 2022.

Industry

The retail residential furniture industry's results are influenced by the overall strength of the economy, new and existing housing sales, consumer confidence, spending on large ticket items, interest rates, and availability of credit. These factors remain tempered by impediments to industry growth, such as inflation, higher interest rates, rising consumer debt, home inventory constraints, tight access to home mortgage credit, and continuing economic uncertainty.

Our Business

We sell home furnishings in our retail stores and via our website and record revenue when the products are delivered to our customer. Our products are selected to appeal to a middle to upper-middle income consumer across a variety of styles. Our commissioned sales team members receive a high level of product training and are provided a number of tools with which to serve our customers. We also have over 110 in-home designers serving most of our stores. These individuals work with our sales team members to provide customers additional confidence and inspiration in their furniture purchase journey. We do not outsource the delivery function, something common in the industry, but instead ensure that the "last contact" is handled by a customer-oriented Havertys delivery team. We are recognized as a provider of high-quality fashionable products and exceptional service in the markets we serve.

Management Objectives

Management is focused on capturing more market share and improving profitability. This growth will be driven by concentrating our efforts on our customers, with improved interactions highlighted by new products, high-touch service and better technology. In addition, our growth strategy includes the expansion of our retail operations to increase our footprint within our distribution network. The Company's strategies for profitability include gross margin focus, targeted marketing initiatives, productivity and process improvements, and efficiency and cost-saving measures. Our focus is to serve our customers better and distinguish ourselves in the marketplace.

Key Performance Indicators

We evaluate our performance based on several key metrics which include net sales, comparable store sales and written comparable store sales; sales per weighted average square foot; gross profit, selling, general and administrative costs as a percentage of sales; operating income; cash flow; and earnings per share. The goal of utilizing these measurements is to provide tools for economic decision-making, including decisions related to store growth, capital allocation and product pricing.

Net sales is the revenue from merchandise sales and related fees, net of expected returns and sales tax. We record our sales when the merchandise is delivered to the customer.

Comparable-store or "comp-store" sales is a measure which indicates the performance of our existing stores and website by comparing the growth in sales in store and online for a particular month over the corresponding month in the prior year. Stores are considered non-comparable if they were not open during the corresponding month in the prior year or if the selling square footage has been changed by more than 10%. Large clearance sales events from warehouses or temporary locations are also excluded from comparable store sales. The method we use to compute comp-store sales may not be the same method used by other retailers.

We also track written sales and written comp-store sales. Written sales reflect those instances when a customer makes a deposit or pays in full when placing an order. Written sales shows the current pace or trend of customer transactions. The lag time between customers' order placement and delivery grew in 2020 and continued through mid-2022 due to disruptions in supply chain and demand that outpaced merchandise supply but normalized in 2023. As a retailer, comp-store sales and written comp-store sales are an indicator of relative customer spending and store performance. Comp-store sales, total written sales and written comp-store sales are intended only as supplemental information and are not a substitute for net sales presented in accordance with US GAAP.

Sales per weighted average ("WAVG") square foot is calculated by dividing net sales by WAVG square footage. WAVG square footage is a daily WAVG based on the ratio of the days open in a period to the total days in the period.

Results of Operations

The table and discussion below should be read in conjunction with our consolidated financial statements and related notes included in this report.

Statement of Earnings Data

(Dollars in thousands, except per share data)	Year Ended December 31,				
	2023	2022	2021	2020 ⁽¹⁾	2019
Net sales	\$ 862,133	\$ 1,047,215	\$ 1,012,799	\$ 748,252	\$ 802,291
Gross profit	523,092	604,224	574,625	418,994	434,488
Percent of net sales	60.7 %	57.7 %	56.7 %	56.0 %	54.2 %
Selling, general and administrative expenses ⁽²⁾	455,812	486,298	456,267	377,288	407,456
Percent of net sales	52.9 %	46.4 %	45.1 %	50.4 %	50.8 %
Income before income taxes ⁽²⁾⁽³⁾	72,711	119,501	118,535	76,731	28,724
Percent of net sales	8.4 %	11.4 %	11.7 %	10.3 %	3.6 %
Net income ⁽²⁾⁽³⁾	56,319	89,358	90,803	59,148	21,865
Percent of net sales	6.5 %	8.5 %	9.0 %	7.9 %	2.7 %

Share Data

Diluted earnings per Common share ⁽²⁾⁽³⁾	\$ 3.36	\$ 5.24	\$ 4.90	\$ 3.12	\$ 1.08
Cash dividends – per share:					
Common Stock ⁽⁴⁾	\$ 2.18	\$ 2.09	\$ 2.97	\$ 2.77	\$ 0.76
Class A Common Stock ⁽⁴⁾	\$ 2.05	\$ 1.96	\$ 2.79	\$ 2.62	\$ 0.72
Diluted weighted average common shares outstanding	16,774	17,038	18,543	18,932	20,261

Balance Sheet Data

Total assets	\$ 654,133	\$ 649,049	\$ 686,290	\$ 680,372	\$ 560,072
Inventories	93,956	118,333	112,031	89,908	104,817
Net property and equipment ⁽⁵⁾	171,588	137,475	126,099	108,366	156,534
Right-of-use lease assets	202,306	207,390	222,356	228,749	175,474
Lease liabilities	217,754	221,287	230,352	233,666	179,055
Customer deposits	35,837	47,969	98,897	86,183	30,121
Total debt ⁽⁶⁾	—	—	—	—	—
Stockholders' Equity	308,366	289,399	255,970	252,967	260,503

Statement of Cash Flows Data

Net cash provided by operating activities	\$ 97,203	\$ 51,015	\$ 97,242	\$ 130,191	\$ 63,419
Depreciation and amortization ⁽⁵⁾	18,603	16,926	16,304	18,207	20,596
Capital expenditures	53,115	28,411	34,090	10,927	16,841
Dividends paid	35,240	33,948	52,446	50,521	15,056
Share repurchases	6,895	29,998	41,809	19,708	29,757

Other Supplemental Data and Metrics

Number of stores	124	122	121	120	121
Retail square footage at year-end	4,387	4,363	4,354	4,352	4,426
Sales per WAVG retail square foot	\$ 197	\$ 241	\$ 232	\$ 173	\$ 183
Average ticket ⁽⁷⁾	\$ 3,278	\$ 3,171	\$ 2,865	\$ 2,482	\$ 2,323
Net sales (decrease) increase (%)	(17.7 %)	3.4 %	35.4 %	(6.7)%	(1.9)%
Comparable store sales (decrease) increase (%)	(18.4 %)	3.4 %	17.9 %	5.0 %	(1.4)%
Employees	2,574	2,831	2,845	2,766	3,425

(1) Stores were closed and delivery operations were paused for approximately six weeks due to COVID-19.

(2) Includes impairment loss of \$2.4 million, or \$1.8 million after tax, on a retail store in 2019 which impacted diluted earnings per share \$0.09.

(3) Includes gain of \$31.6 million on a sale-leaseback transaction in 2020 which impacted diluted earnings per share \$1.24.

(4) Includes special dividends of \$1.00 for Common Stock and \$0.95 for Class A Common Stock paid in the fourth quarter of 2023 and 2022, and \$2.00 for Common Stock and \$1.90 for Class A Common Stock paid in the fourth quarter of 2021 and 2020.

(5) We adopted ASC 840 effective January 1, 2019. The cumulative effect included a reduction of property and equipment, net of \$53,519,000. Amortization of buildings under lease was included in depreciation expense.

(6) We have no funded debt.

(7) Average ticket is calculated by dividing total sales by the number of orders.

Net Sales

The following outlines our sales and comp-store sales increases and decreases for the periods indicated. (Amounts and percentages may not always add to totals due to rounding.)

Period Ended	December 31,					
	2023			2022		
	Net Sales		Comp-Store Sales	Net Sales		Comp-Store Sales
	Dollars in millions	% Increase (decrease) over prior period	% Increase (decrease) over prior period	Dollars in millions	% Increase (decrease) over prior period	% Increase (decrease) over prior period
Q1	\$ 224.8	(5.9) %	(6.7) %	\$ 238.9	1.0 %	0.2 %
Q2	206.3	(18.5)	(19.1)	253.2	1.3	1.1
Q3	220.3	(19.7)	(20.7)	274.5	5.4	6.3
Q4	210.7	(24.9)	(25.5)	280.6	5.5	5.7
Year	\$ 862.1	(17.7) %	(18.4) %	\$ 1,047.2	3.4 %	3.4 %

Sales in 2023 were below the record levels of the previous two years. The soft housing market has contributed to the slowing pace of sales along with persistent inflationary pressures and shifts in consumer spending. During the first quarter of 2023 we benefited from the delivery of previously written orders. Consumers have returned to their historical shopping patterns of concentrating spending around traditional holiday events and our in-store traffic has declined, particularly outside these peak periods. Our sales associates and design consultants are providing excellent service to each customer, and average ticket value was up 3.4% over last year. Design consultant engagement increased in 2023 and accounted for 28.5% of our 2023 sales, with an average written ticket of \$6,486. Merchandise sales for most categories have returned to their historical pre-COVID percentages of total sales, with the exception of mattresses. (See Note 2, "Revenues and Segment Reporting" of the Notes to Consolidated Financial Statements).

Gross Profit

Our cost of goods sold consists primarily of the purchase price of the merchandise together with inbound freight, handling within our distribution centers and transportation costs to the local markets we serve. Our gross profit is primarily dependent upon vendor pricing, the mix of products sold and promotional pricing activity. Substantially all of our occupancy and home delivery costs are included in selling, general and administrative expenses as is a portion of our warehousing expenses. Accordingly, our gross profit may not be comparable to those entities that include some of these expenses in cost of goods sold.

Gross profit as a percentage of net sales was 60.7% in 2023 compared to 57.7% in 2022. The increase of 300 basis points was primarily due to reductions in freight and product costs. The change in the LIFO reserve generated a positive impact on gross profit of \$9.4 million for 2023 compared to a negative impact of \$10.8 million in 2022.

Selling, General and Administrative Expenses

SG&A expenses are comprised of five categories: selling, occupancy, delivery and certain warehousing costs, advertising, and administrative. Selling expenses are primarily comprised of compensation of sales team members and sales support staff, and fees paid to credit card and third-party finance companies. Occupancy costs include rents, depreciation charges, insurance and property taxes, repairs and maintenance expense and utility costs. Delivery costs include personnel, fuel costs, and depreciation and rental charges for rolling stock.

Warehouse costs include supplies, depreciation, and rental charges for equipment. Advertising expenses are primarily media production and space expenditures, direct mail costs, market research expenses and agency fees. Administrative expenses are comprised of compensation costs for store personnel exclusive of sales team members, information systems, executive, accounting, merchandising, advertising, supply chain, real estate and human resource departments.

We classify our SG&A expenses as either variable or fixed and discretionary. Our variable expenses include the costs in the selling and delivery categories and certain warehouse expenses as these amounts will generally move in tandem with our level of sales. The remaining categories and expenses are classified as fixed and discretionary because these costs do not fluctuate with sales.

The following table outlines our SG&A expenses by classification:

<i>(In thousands)</i>	2023		2022	
		% of Net Sales		% of Net Sales
Variable	\$ 170,472	19.8 %	\$ 193,675	18.5 %
Fixed and discretionary	285,340	33.1	292,623	27.9
	<u>\$ 455,812</u>	<u>52.9 %</u>	<u>\$ 486,298</u>	<u>46.4 %</u>

Our SG&A costs as a percent of sales for 2023 were 52.9% versus 46.4% in 2022. SG&A dollars decreased \$30.5 million, or 6.3%, for 2023 compared to 2022. The change is driven by the reduction in sales and lower variable costs and less leveraging of fixed costs. Our selling expenses were \$14.1 million lower, inclusive of an \$0.8 million increase in third-party credit costs due to rate increases. Warehouse, delivery, and transportation expenses declined \$10.2 million from 2022 to 2023 as we adjusted personnel levels, fuel prices fell, and our accessorial charges declined. Advertising expenditures were \$7.9 million lower in 2023 compared to 2022 and our occupancy costs were relatively flat. Our total administrative expenses were basically unchanged for 2023 compared to 2022 as lower compensation costs were offset by higher professional service fees.

Interest (Income) Expense, Net

We earned \$3.9 million more interest income, net of interest expense, in 2023 than in 2022 due to higher rates paid on cash, cash equivalents, and restricted cash equivalents.

Provision for Income Taxes

Our effective tax rate was 22.5% in 2023 compared to 25.2% in 2022. The rates vary from the U.S. federal statutory rate primarily due to state income taxes. See Note 7, "Income Taxes" of the Notes to Consolidated Financial Statements for further information about our income taxes.

Liquidity and Capital Resources

At December 31, 2023, we had \$120.6 million in cash and cash equivalents, and \$7.1 million in restricted cash equivalents. See Note 1 to our consolidated financial statements for further discussion of our restricted cash equivalents. We believe that our current cash position, cash flow generated from operations, funds available from our credit agreement, and access to the long-term debt capital markets should be sufficient for our operating requirements and to enable us to fund our capital expenditures, dividend payments, and lease obligations through the next several years.

Our material cash requirements include contractual and other obligations arising in the normal course of business. These obligations primarily include operating lease obligations and purchase obligations. In addition to our cash requirements, we follow a disciplined approach to capital allocation. This approach first prioritizes investing in the business, followed by paying dividends. We may also return excess cash to shareholders in the form of share repurchases or special cash dividends. We expect capital expenditures of approximately \$32.0 million in 2024 to support our operations and strategic expansion, however these plans are subject to other potential opportunities, the economic environment, general business conditions and our financial performance.

Long-Term Debt

We currently have a \$80.0 million revolving credit facility (the "Credit Agreement") with a bank. As of December 31, 2023, we had no outstanding borrowings and \$80.0 million of available borrowings under the Credit Agreement. The Credit Agreement matures October 24, 2027. See Note 5, "Credit Arrangement" of the Notes to Consolidated Financial Statements for information about our Credit Agreement.

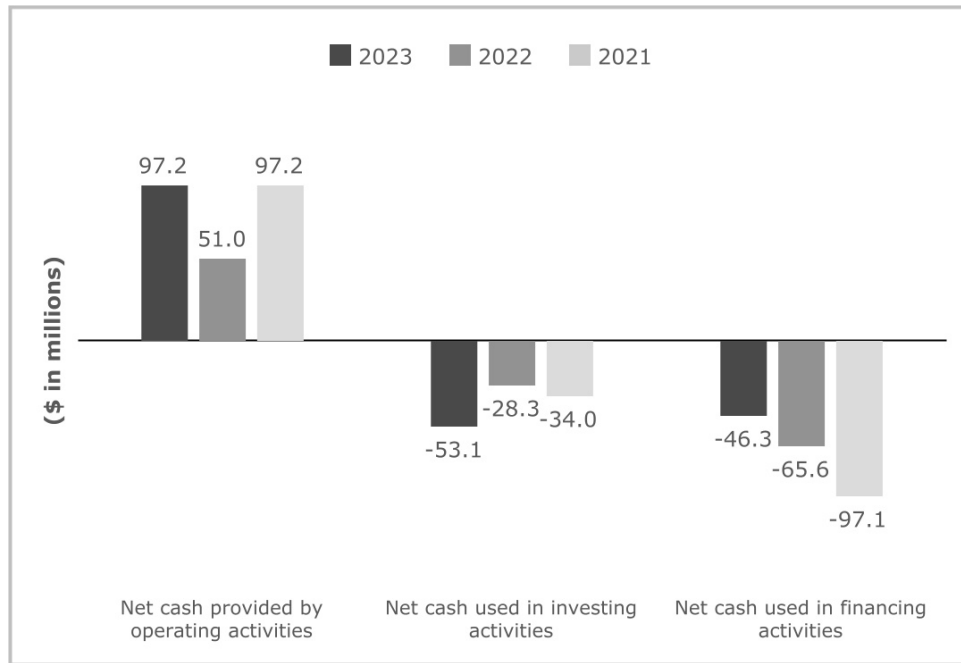
Leases

We use operating leases to fund a portion of our real estate, including our stores, distribution centers, and store support space.

At December 31, 2023, we had aggregate lease obligations of \$217.8 million, with \$37.4 million payable within 12 months. See Note 8, "Leases" of the Notes to Consolidated Financial Statements for further discussion of our operating leases.

Share Repurchases

The board of directors has authorized management, at its discretion, to purchase and retire limited amounts of our Common Stock and Class A Common Stock. We made cash payments of \$6.9 million for repurchases of approximately 227,000 shares of our Common Stock through open market purchases during 2023 and there is approximately \$13.1 million at December 31, 2023 that may yet be purchased under the existing authorization.

Cash Flows Summary

Operating Activities. Cash flow generated from operations provides us with a significant source of liquidity. Our operating cash flows result primarily from cash received from our customers, offset by cash payments we make for products and services, employee compensation, operations, and occupancy costs.

Cash provided by or used in operating activities is also subject to changes in working capital. Working capital at any specific point in time is subject to many variables, including seasonality, inventory selection, the timing of cash receipts and payments, and vendor payment terms.

Net cash provided by operating activities in 2023 was \$97.2 million driven primarily by net income of \$56.3 million and non-cash adjustments to net income of \$26.7 million consisting primarily of depreciation and amortization and stock-based compensation expense, and by working capital changes driven primarily by a \$24.4 million decrease in inventories partly offset by a \$12.1 million reduction in customer deposits.

Net cash provided by operating activities in 2022 was \$51.0 million driven primarily by net income of \$89.4 million and non-cash adjustments to net income of \$25.8 million consisting primarily of depreciation and amortization and stock-based compensation expense, and by working capital changes driven primarily by a \$50.9 million reduction in customer deposits.

Investing Activities. Cash used in investing activities in 2023 consisted primarily of \$53.1 million of capital expenditures.

Cash used in investing activities in 2022 primarily reflected \$28.4 million of capital expenditures.

Financing Activities. Cash used in financing activities in 2023 consisted primarily of \$19.1 million of quarterly cash dividends, \$16.1 of special cash dividends, and \$6.9 million of share repurchases.

Cash used in financing activities in 2022 primarily reflected \$17.9 million of quarterly cash dividends, \$16.1 of special cash dividends, and \$30.0 million of share repurchases.

Store Expansion and Capital Expenditures

We have entered new markets and made continued improvements and relocations of our store base. The following outlines the change in our selling square footage for each of the three years ended December 31 (square footage in thousands):

Store Activity:	2023		2022		2021	
	# of Stores	Square Footage	# of Stores	Square Footage	# of Stores	Square Footage
Opened	4	110	3	97	2	44
Closed	2	86	2	88	1	42
Year end balances	124	4,387	122	4,363	121	4,354

The following table summarizes our store activity in 2023 and current plans for 2024.

Location	Opening (Closing) Quarter Actual or Planned	Category
Durham, NC	Q-1-23	Open
Atlanta, GA	Q-3-23	Closure - Outlet
Charlotte, NC	Q-4-23	Open
Dayton, OH	Q-4-23	Open
Dallas, TX	Q-4-23	Closure
Richmond, VA	Q-4-23	Open - Outlet
Pine Bluff, AR	Q-1-24	Closure
Memphis, TN	Q-1-24	Open
Destin, FL	Q-2-24	Open
Tampa, FL	Q-2-24	Open
Miami, FL	Q-3-24	Open
To Be Announced	Q-4-24	Open

Assuming the new stores open and existing stores close as planned, the above activity and other changes should increase net selling space in 2024 approximately 2.8% compared to 2023.

Our investing activities in stores and operations in 2023, 2022 and 2021 and planned outlays for 2024 are categorized in the table below. Capital expenditures for stores in the years noted do not necessarily coincide with the years in which the stores open.

<i>(Approximate in thousands)</i>	Proposed 2024	2023	2022	2021
Stores:				
New or replacement stores ⁽¹⁾	\$ 17,000	\$ 9,300	\$ 7,700	\$ 7,000
Remodels/expansions	3,500	2,500	4,400	4,300
Other improvements	6,700	6,900	6,600	4,500
Total stores	27,200	18,700	18,700	15,800
Distribution ⁽¹⁾	2,300	32,400	6,900	15,300
Information technology	2,500	2,000	2,800	3,000
Total	\$ 32,000	\$ 53,100	\$ 28,400	\$ 34,100

(1) In 2023 we purchased one distribution facility that was previously leased and in 2021 we purchased one retail location and one distribution facility that were previously leased.

Critical Accounting Estimates and Assumptions

Our discussion and analysis is based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, and evaluate our estimates and judgments required by our policies on an ongoing basis and update them as appropriate based on changing conditions.

Accounting estimates are considered critical if both of the following conditions are met: (a) the nature of the estimates or assumptions is material because of the levels of subjectivity and judgment needed to account for matters that are highly uncertain and susceptible to change and (b) the effect of the estimates and assumptions is material to the financial statements.

We have reviewed our accounting estimates, and none were deemed to be considered critical for the accounting periods presented.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the potential loss arising from adverse changes in the value of financial instruments. The risk of loss is assessed based on the likelihood of adverse changes in fair values, cash flows or future earnings.

In the ordinary course of business, we are exposed to various market risks, including fluctuations in interest rates. Our exposure to interest rate risk relates to the interest income generated by cash, cash equivalents, and interest expense on the Credit Facility. The primary objective of our investment policy is to preserve principal while maximizing income without significantly increasing risk. We do not believe that an increase or decrease in interest rates of 100 basis points would have a material effect on our operating results or financial condition. During 2023 and 2022, we had no outstanding borrowings under our Credit Agreement (as discussed in Note 5 to the Consolidated Financial Statements), which bears interest based on variable rates.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The report of our independent registered public accounting firm, the Consolidated Financial Statements of Havertys and the Notes to Consolidated Financial Statements, and the supplementary financial information called for by this Item 8, are set forth on pages F-1 to F-22 of this report. Specific financial statements and supplementary data can be found at the pages listed in the following index:

Index	Page
Financial Statements	
Report of Independent Registered Public Accounting Firm on the Consolidated Financial Statements (PCAOB ID 248)	F-1
Consolidated Balance Sheets	F-2
Consolidated Statements of Comprehensive Income	F-3
Consolidated Statements of Stockholders' Equity	F-4
Consolidated Statements of Cash Flows	F-5
Notes to Consolidated Financial Statements	F-6
Schedule II - Valuation and Qualifying Accounts	F-20

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures. Our management has evaluated, with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective for the purpose of providing reasonable assurance that the information we must disclose in reports that we file or submit under the Securities Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) is accumulated and communicated to the Company's management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosures.

(b) Management's Annual Report on Internal Control over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting based upon the framework in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on that evaluation, our management concluded that our internal control over financial reporting is effective as of December 31, 2023.

Attestation Report of the Independent Registered Public Accounting Firm. Grant Thornton LLP, an independent registered public accounting firm, has audited the consolidated financial statements included in this annual report on Form 10-K and, as part of their audit, has issued their report, included herein, on the effectiveness of our internal control over financial reporting.

(c) Changes in Internal Control over Financial Reporting. During the fourth quarter of 2023, there were no changes in our internal control over financial reporting that have affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Haverty Furniture Companies, Inc.

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Haverty Furniture Companies, Inc. (a Maryland Corporation) and subsidiary (the "Company") as of December 31, 2023, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2023, and our report dated March 7, 2024 expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

Atlanta, Georgia
March 7, 2024

ITEM 9B. OTHER INFORMATION

None

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

We have adopted a Code of Conduct (the "Code") for our directors, officers (including our principal executive officer, and principal financial and accounting officer) and team members. The Code is available on our website at www.ir.havertys.com. In the event we amend or waive any provisions of the Code applicable to our principal executive officer or principal financial and accounting officer, we will disclose the same by filing a Form 8-K. The information contained on or connected to our Internet website is not incorporated by reference into this annual report on Form 10-K and should not be considered part of this or any other report that we file or furnish to the SEC.

We provide some information about our executive officers in Part I of this report under the heading "Information about our Executive Officers." The remaining information called for by this item is incorporated by reference to "Proposal 1: Nominees for Election by Holders of Class A Common Stock and Nominees for Election by Holders of Common Stock," "Corporate Governance," "Committees of the Board" and "Certain Relationships and Related Transactions – Delinquent Section 16(a) Reports" in our 2024 Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

The information contained in our 2024 Proxy Statement with respect to executive compensation and transactions under the heading "Compensation Discussion and Analysis" is incorporated herein by reference in response to this item.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information contained in our 2024 Proxy Statement with respect to the ownership of Common Stock and Class A Common Stock by certain beneficial owners and management, and with respect to our compensation plans under which equity securities are authorized for issuance under the headings "Ownership by our Directors and Management" and "Equity Compensation Plan Information," is incorporated herein by reference in response to this item.

For purposes of determining the aggregate market value of our Common Stock and Class A Common Stock held by non-affiliates, shares held by all directors and executive officers have been excluded. The exclusion of such shares is not intended to, and shall not, constitute a determination as to which persons or entities may be "affiliates" as defined under the Securities Exchange Act of 1934.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information contained in our 2024 Proxy Statement with respect to certain relationships, related party transactions and director independence under the headings "Certain Relationships and Related Transactions" and "Corporate Governance – Governance Guidelines and Policies – Director Independence" is incorporated herein by reference in response to this item.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information under the heading "Audit Matters" in our 2024 Proxy Statement is incorporated herein by reference to this item.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

(1) Financial Statements.

Consolidated Balance Sheets – December 31, 2023 and 2022.

Consolidated Statements of Comprehensive Income – Years ended December 31, 2023, 2022, and 2021.

Consolidated Statements of Stockholders' Equity – Years ended December 31, 2023, 2022, and 2021.

Consolidated Statements of Cash Flows – Years ended December 31, 2023, 2022, and 2021.

Notes to Consolidated Financial Statements

(2) Financial Statement Schedule.

The following financial statement schedule of Haverty Furniture Companies, Inc. is filed as part of this Report and should be read in conjunction with the Consolidated Financial Statements:

Schedule II – Valuation and Qualifying Accounts

All other schedules have been omitted because they are inapplicable, or the required information is included in the Consolidated Financial Statements or notes thereto.

(3) Exhibits:

Our SEC File Number is 1-14445 for all exhibits filed with the Securities Exchange Act reports.

Exhibit No.	Exhibit
3.1	Articles of Amendment and Restatement of the Charter of Haverty Furniture Companies, Inc. effective May 2006 (Incorporated by reference to Exhibit 3.1 to our 2006 Second Quarter Form 10-Q).
3.2	By-Laws of Haverty Furniture Companies, Inc., as amended and restated effective February 24, 2023 (Exhibit 3.2 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2022).
4.1	Description of Securities of the Registrant. (Incorporated by reference to Exhibit 4.1 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2019).

Exhibit No.	Exhibit
10.1	Amended and Restated Credit Agreement by and among Haverty Furniture Companies, Inc. and Havertys Credit Services, Inc., as the Borrowers, SunTrust Bank, as the Issuing Bank and Administrative Agent and SunTrust Robinson Humphrey, Inc. as Lead Arranger, dated September 1, 2011 (Incorporated by reference to Exhibit 10.1 to our 2011 Third Quarter Form 10-Q); First Amendment to Amended and Restated Credit Agreement, dated March 31, 2016 (Incorporated by reference to Exhibit 10.1 to our 2016 First Quarter Form 10-Q); Second Amendment to Amended and Restated Credit Agreement by and among Haverty Articles of Amendment and Restatement of the Charter of Haverty Furniture Companies, Inc. effective May 2006 Furniture Companies, Inc. and Havertys Credit Services, Inc., as the Borrowers, and SunTrust Bank, as the Issuing Bank and Administrative Agent (Incorporated by reference to Exhibit 10.1 to our 2019 Third Quarter Form 10-Q); Third Amendment to Amended and Restated Credit Agreement by and among Haverty Furniture Companies, Inc. and Havertys Credit Services, Inc. as Borrowers, and Truist Bank (successor by merger to SunTrust Bank) as the Issuing Bank and Administrative Agent (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated May 20, 2020); Fourth Amendment to Amended and Restated Credit Agreement by and among Haverty Furniture Companies, Inc. and Havertys Credit Services, Inc., as the Borrowers, Truist Bank (as successor to SunTrust Bank), as the Administrative Agent and Issuing Bank and Administrative Agent and Lead Arranger (as successor to SunTrust Robinson Humphrey, Inc.), dated September 1, 2011 (Incorporated by reference to Exhibit 10.1 to our 2022 Third Quarter Form 10-Q).
10.2	Haverty Furniture Companies, Inc., Class A Shareholders Agreement (the "Agreement"), made as of June 5, 2012, by and among, Haverty Furniture Companies, Inc., Villa Clare Partners, L.P., Clarence H. Smith, H5, L.P., Rawson Haverty, Jr., Ridge Partners, L.P. and Frank S. McGaughey (Incorporated by reference to Exhibit 10.1 to our Form 8-K filed June 8, 2012); Parties added to the Agreement and Revised Annex I as of November 1, 2012 – Marital Trust FOB Margaret M. Haverty and Marital Trust B FOB Margaret M. Haverty; Parties added to the Agreement as of December 11, 2012 – Margaret Munnerlyn Haverty Revocable Trust (Incorporated by reference to Exhibit 10.1 to our First Quarter 2013 Form 10-Q); Parties added to the Agreement as of July 5, 2013 – Richard McGaughey (Incorporated by reference to Exhibit 10.1 to our Second Quarter 2013 Form 10-Q); Amendment to Class A Shareholders Agreement, as of December 30, 2016 removing Ridge Partners, L.P. and Frank S. McGaughey (Incorporated by reference to Exhibit 10.2.1 to our 2016 Form 10-K); Parties added to the Agreement as of May 1, 2019 – H5-MHG, LLC, H5-JMH, LLC, H5-JRH, LLC, H5-MEH, LLC, H5-BMH, LLC (Incorporated by reference to Exhibit 99.1 to H5, L.P.'s Schedule 13 D/A filed May 22, 2019).
+ 10.3	2014 Long-Term Incentive Plan effective as of May 12, 2014 (Incorporated by reference to Exhibit 10.1 to our Registration Statement on Form S-8, File No. 333-197969); Amendment No. One to our 2014 Long-Term Incentive Plan effective June 1, 2018 (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated April 10, 2018).
+ 10.4	2021 Long-Term Incentive Plan effective as of May 10, 2021 (Incorporated by reference to Exhibit 10.1 to our Third-Quarter Form 10-Q filed November 2, 2021).
* +10.5	Haverty Furniture Companies, Inc. Non-Employee Director Compensation Plan, effective as of May 8, 2023.
+ 10.6	Amended and Restated Directors' Deferred Compensation Plan, effective as of May 17, 2019 (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K dated May 17, 2019).
+ 10.7	Amended and Restated Supplemental Executive Retirement Plan, effective January 1, 2009 (Incorporated by reference to Exhibit 10.9 to our 2008 Form 10-K); Amendment Number One to the Amended and Restated Supplemental Executive Retirement Plan, effective as of January 1, 2009 and Amendment Number Two effective as of December 31, 2015 (Incorporated by reference to Exhibit 10.7 to our 2015 Form 10-K); Amendment Number Three to the Amended and Restated Supplemental Executive Retirement Plan, effective December 21, 2016 (Incorporated by reference to Exhibit 10.7.1 to our 2016 Form 10-K).

Exhibit No.	Exhibit
+ 10.8	Form of Agreement dated February 27, 2018 regarding Change in Control with the Named Executive Officers and a Management Director (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated March 5, 2018).
+ 10.8.1	Form of Agreement dated February 27, 2018, regarding Change in Control with Executive Officers who are not Named Executive Officers or Management Directors (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K dated March 5, 2018).
+ 10.9	Amended and Restated Non-Qualified Deferred Compensation Plan, effective as of August 9, 2016 (Incorporated by reference to Exhibit 10.9 to our 2016 Form 10-K).
+ 10.10	Top Hat Mutual Fund Option Plan, effective as of January 15, 1999 (Incorporated by reference to Exhibit 10.15 to our 1999 Form 10-K).
+ 10.11	Form of Restrictive Covenant Agreement (Incorporated by reference to Exhibit 10.4 to our Current Report on Form 8-K dated January 29, 2020).
+ 10.12	Form of Restricted Stock Units Award Notice , Form of Performance Restricted Stock Units (EBITDA) Award Notice and Form of Performance Restricted Units (Sales) Award Notice in connection with the 2014 Long-Term Incentive Compensation Plan. (Incorporated by reference to Exhibits 10.1, 10.2 and 10.3 to our Current Report on Form 8-K dated January 27, 2021).
* + 10.13	Form of Restricted Stock Units Award Notice in connection with the 2021 Long-Term Incentive Compensation Plan.
* + 10.13.1	Form of Performance Restricted Stock Units (EBITDA) Award Notice in connection with the 2021 Long-Term Incentive Compensation Plan.
* + 10.13.2	Form of Performance Restricted Units (Sales) Award Notice in connection with the 2021 Long-Term Incentive Compensation Plan.
10.14	Amended and Restated Retailer Program Agreement dated November 5, 2013, between Haverty Furniture companies, Inc. and GE Capital Retail Bank (formerly known as GE Money Bank). Portions of this document have been redacted pursuant to a request for confidential treatment filed pursuant to the Freedom of Information Act. (Incorporated by reference to Exhibit 10.13 to our 2013 Form 10-K/A); First Amendment to the Amended and Restated Retailer Program Agreement between Haverty Furniture Companies, Inc. and Synchrony Bank (formerly GE Capital Retail Bank). Portions of this document have been redacted pursuant to a request for confidential treatment filed pursuant to the Freedom of Information Act. (Incorporated by reference to Exhibit 10.1 to our 2018 Second Quarter Form 10-Q).
* 21.1	Subsidiaries of Haverty Furniture Companies, Inc.
* 23.1	Consent of Grant Thornton LLP, Independent Registered Public Accounting Firm.
* 31.1	Certification pursuant to Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended.
* 31.2	Certification pursuant to Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended.
# 32.1	Certifications pursuant to 18 U.S.C. Section 1350.
* 97.1	Policy relating to recovery of erroneously awarded compensation, as required by applicable listing standards adopted pursuant to 17 CFR 240.10D-1
101	The following financial information from our Report on Form 10-K for the year ended December 31, 2023, formatted in inline XBRL: (i) Consolidated Balance Sheets ended December 31, 2023 and 2022, (ii) Consolidated Statements of Comprehensive Income for the years ended December 31, 2023, 2022 and 2021, (iii) Consolidated Statements of Stockholders' Equity for the years ended December 31, 2023, 2022 and 2021, (iv) Consolidated Statements of Cash Flow for the years ended December 31, 2023, 2022 and 2021, and (v) the Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

+ Indicates a management contract or compensatory plan or arrangement required to be filed as exhibits pursuant to Item 15(b) of Form 10-K.

Furnished herewith.

ITEM 16. FORM 10-K SUMMARY

None.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Haverty Furniture Companies, Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Haverty Furniture Companies, Inc. (a Maryland corporation) and subsidiary (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of comprehensive income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule included under Item 15(a) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated March 7, 2024 expressed an unqualified opinion.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2016.

Atlanta, Georgia
March 7, 2024

HAVERTY FURNITURE COMPANIES, INC. CONSOLIDATED BALANCE SHEETS

	December 31,	
	2023	2022
<i>(In thousands, except per share data)</i>		
Assets		
Current assets		
Cash and cash equivalents	\$ 120,635	\$ 123,126
Restricted cash equivalents	7,142	6,804
Inventories	93,956	118,333
Prepaid expenses	17,067	9,707
Other current assets	12,793	18,283
Total current assets	251,593	276,253
Property and equipment, net	171,588	137,475
Right-of-use lease assets	202,306	207,390
Deferred income taxes	15,641	15,501
Other assets	13,005	12,430
Total assets	<u>\$ 654,133</u>	<u>\$ 649,049</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 18,781	\$ 23,345
Customer deposits	35,837	47,969
Accrued liabilities	46,289	48,676
Current lease liabilities	37,357	34,442
Total current liabilities	138,264	154,432
Noncurrent lease liabilities	180,397	186,845
Other liabilities	27,106	18,373
Total liabilities	<u>345,767</u>	<u>359,650</u>
Stockholders' equity		
Capital Stock, par value \$1 per share		
Preferred Stock, Authorized - 1,000 shares; Issued: None		
Common Stock, Authorized - 50,000 shares; Issued: 2023- 30,220; 2022 - 30,006	30,220	30,006
Convertible Class A Common Stock, Authorized - 15,000 shares; Issued: 2023 - 1,804; 2022 - 1,806	1,804	1,806
Additional paid-in capital	113,307	108,706
Retained earnings	419,472	398,393
Accumulated other comprehensive loss	(983)	(756)
Treasury stock at cost - Common Stock (2023 - 15,355; 2022 - 15,140) and Convertible Class A Common Stock (2023 and 2022 - 522)	(255,454)	(248,756)
Total stockholders' equity	<u>308,366</u>	<u>289,399</u>
Total liabilities and stockholders' equity	<u>\$ 654,133</u>	<u>\$ 649,049</u>

The accompanying notes are an integral part of these consolidated financial statements.

**HAVERTY FURNITURE COMPANIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

<i>(In thousands, except per share data)</i>	Year Ended December 31,		
	2023	2022	2021
Net sales	\$ 862,133	\$ 1,047,215	\$ 1,012,799
Cost of goods sold	339,041	442,990	438,174
Gross profit	523,092	604,225	574,625
Expenses:			
Selling, general and administrative	455,812	486,298	456,267
Other expense (income), net	77	44	54
Total expenses	455,889	486,342	456,321
Income before interest and income taxes	67,203	117,883	118,304
Interest income, net	5,508	1,618	231
Income before income taxes	72,711	119,501	118,535
Income tax expense	16,392	30,143	27,732
Net income	\$ 56,319	\$ 89,358	\$ 90,803
Other comprehensive (loss) income, net of tax:			
Defined benefit pension plan adjustments; net of tax expense (benefit) of \$(76), \$513 and \$89	\$ (227)	\$ 1,537	\$ 267
Comprehensive income	\$ 56,092	\$ 90,895	\$ 91,070
Basic earnings per share:			
Common Stock	\$ 3.48	\$ 5.43	\$ 5.06
Class A Common Stock	\$ 3.29	\$ 5.17	\$ 4.75
Diluted earnings per share:			
Common Stock	\$ 3.36	\$ 5.24	\$ 4.90
Class A Common Stock	\$ 3.25	\$ 5.07	\$ 4.69

The accompanying notes are an integral part of these consolidated financial statements.

HAVERTY FURNITURE COMPANIES, INC. CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except per share data)	Year Ended December 31,					
	2023		2022		2021	
	Shares	Dollars	Shares	Dollars	Shares	Dollars
Common Stock:						
Beginning balance	30,006	\$ 30,006	29,907	\$ 29,907	29,600	\$ 29,600
Conversion of Class A Common Stock	2	2	3	3	187	187
Stock compensation transactions, net	212	212	96	96	120	120
Ending balance	30,220	30,220	30,006	30,006	29,907	29,907
Class A Common Stock:						
Beginning balance	1,806	1,806	1,809	1,809	1,996	1,996
Conversion to Common Stock	(2)	(2)	(3)	(3)	(187)	(187)
Ending balance	1,804	1,804	1,806	1,806	1,809	1,809
Treasury Stock:						
Beginning balance (includes 522 shares Class A Stock for each of the years presented; remainder are Common Stock)	(15,662)	(248,756)	(14,591)	(219,008)	(13,384)	(177,545)
Directors' Compensation Plan	12	197	16	250	25	346
Purchases	(227)	(6,895)	(1,087)	(29,998)	(1,232)	(41,809)
Ending balance	(15,877)	(255,454)	(15,662)	(248,756)	(14,591)	(219,008)
Additional Paid-In Capital:						
Beginning balance		108,706		102,572		96,850
Shares issued under incentive plans, net		(4,289)		(1,768)		(3,014)
Directors' Compensation Plan		880		707		523
Stock-based compensation expense		8,010		7,195		8,213
Ending balance		113,307		108,706		102,572
Retained Earnings:						
Beginning balance		398,393		342,983		304,626
Net income		56,319		89,358		90,803
Cash dividends per share: Common Stock: 2023 - \$2.18; 2022 - \$2.09; and 2021 - \$2.97 Class A Common Stock: 2023 - \$2.05; 2022 - \$1.96; and 2021 - \$2.79		(35,240)		(33,948)		(52,446)
Ending balance		419,472		398,393		342,983
Accumulated Other Comprehensive Loss:						
Beginning balance		(756)		(2,293)		(2,560)
Pension liabilities adjustment, net of taxes		(227)		1,537		267
Ending balance		(983)		(756)		(2,293)
Total Stockholders' Equity		\$ 308,366		\$ 289,399		\$ 255,970

The accompanying notes are an integral part of these consolidated financial statements.

**HAVERTY FURNITURE COMPANIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS**

<i>(In thousands)</i>	Year Ended December 31,		
	2023	2022	2021
Cash Flows from Operating Activities			
Net income	\$ 56,319	\$ 89,358	\$ 90,803
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	18,603	16,926	16,304
Stock-based compensation	8,010	7,195	8,213
Deferred income taxes	(1,171)	584	234
Net (gain) loss on sale of land, property and equipment	71	128	(77)
Other	1,160	960	869
Changes in operating assets and liabilities:			
Inventories	24,377	(6,303)	(22,123)
Customer deposits	(12,132)	(50,928)	12,714
Other assets and liabilities	8,643	(923)	(3,244)
Accounts payable and accrued liabilities	(6,677)	(5,982)	(6,451)
Net cash provided by operating activities	97,203	51,015	97,242
Cash Flows from Investing Activities			
Capital expenditures	(53,115)	(28,411)	(34,090)
Proceeds from sale of property and equipment	53	86	88
Net cash used in investing activities	(53,062)	(28,325)	(34,002)
Cash Flows from Financing Activities			
Dividends paid	(35,240)	(33,948)	(52,446)
Common stock repurchased	(6,895)	(29,998)	(41,809)
Taxes on vested restricted shares	(4,159)	(1,676)	(2,894)
Net cash used in financing activities	(46,294)	(65,622)	(97,149)
Decrease in Cash, Cash Equivalents and Restricted			
Cash Equivalents	(2,153)	(42,932)	(33,909)
Cash, Cash Equivalents and Restricted Cash Equivalents at			
Beginning of Year	129,930	172,862	206,771
Cash and Cash Equivalents and Restricted Cash Equivalents at			
End of Year	\$ 127,777	\$ 129,930	\$ 172,862
Supplemental Disclosures			
Cash paid during the period for income taxes, net of refunds	\$ 23,264	\$ 27,957	\$ 32,395
Cash paid for interest	\$ 162	\$ 127	\$ 126

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

Note 1, Description of Business and Summary of Significant Accounting Policies:

Business:

Haverty Furniture Companies, Inc. ("Havertys," "we," "our," or "us") is a retailer of a broad line of residential furniture in the middle to upper-middle price ranges. We have 124 showrooms in 16 states at December 31, 2023. All of our stores are operated using the Havertys name and we do not franchise our stores. We also have an online presence through which our customers can make purchases. We offer financing through third-party finance companies.

Basis of Presentation:

The consolidated financial statements include the accounts of Havertys and its wholly-owned subsidiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates:

The preparation of financial statements in conformity with United States of America generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents:

Cash and cash equivalents include all liquid investments with a maturity date of less than three months when purchased. Cash equivalents also include amounts due from third-party financial institutions for credit and debit card transactions which typically settle within five days. Our cash is held in Federal Deposit Insurance Corporation ("FDIC") insured accounts at various banks which at times may exceed federally insured amounts.

Restricted Cash Equivalents:

Our insurance carrier requires us to collateralize a portion of our workers' compensation obligations. These funds are investments in money market funds held by an agent. The agreement with our carrier governing these funds is on an annual basis expiring on December 31.

Inventories:

Inventories are stated at the lower of cost or market. Cost is determined using the last-in, first-out (LIFO) method.

Other Current Assets:

Other current assets include receivables from third-party finance companies used by customers to finance purchases and receivables from landlords for tenant incentives.

Property and Equipment:

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the shorter of the estimated useful life or the lease term of the related asset. See Leases below.

Estimated useful lives for financial reporting purposes are as follows:

Buildings	25 - 33 years
Improvements	5 - 15 years
Furniture and Fixtures	3 - 15 years
Equipment	3 - 15 years

Customer Deposits:

Customer deposits consist of cash collections on sales of undelivered merchandise, customer advance payments, and deposits on credit sales for undelivered merchandise.

Contingencies:

We are involved in lawsuits, claims and proceedings incident to the ordinary course of our business. We review the need for any loss contingency reserves and establish reserves when, in the opinion of management, it is probable that a matter would result in liability, and the amount of loss, if any, can be reasonably estimated. Generally, in view of the inherent difficulty of predicting the outcome of these matters, it may not be possible to determine whether any loss is probable or to reasonably estimate the amount of the loss until the matter is close to resolution, in which case no reserve is established until that time. Claims against us could result in costly litigation, require significant amounts of management time and result in the diversion of significant operational resources. We expense any litigation-related amounts as incurred. The results of these lawsuits, claims and proceedings cannot be predicted with certainty. However, we believe that the ultimate resolution of these current matters will not have a material adverse effect on our Consolidated Financial Statements taken as a whole.

Revenue Recognition:

We recognize revenue from merchandise sales and related service fees, net of expected returns and sales tax, at the time the merchandise is delivered to the customer. The liability for sales returns, including the impact on gross profit, is estimated based on historical return levels and recognized at the transaction price. We also recognize a return asset, and corresponding adjustment to cost of sales, for our right to recover the goods returned by the customer, measured at the former carrying amount of the goods, less any expected recovery cost. At each financial reporting date, we assess our estimates of expected returns, refund liabilities, and return assets. When we receive payment from customers before delivery of merchandise, the amount received is recorded as a customer deposit.

Net sales also include amounts generated by product protection plans. We act as an agent for these sales and the service is provided by a third-party. Revenue, net of related costs, is recognized at the time the covered merchandise is delivered to the customer. We do not have a loyalty program.

We expense sales commissions within SG&A at the time revenue is recognized because the amortization period would be one year or less. We do not disclose the value of unsatisfied performance obligations because delivery is made within one year of the customer purchase.

Cost of Goods Sold:

Our cost of goods sold includes the direct costs of products sold, warehouse handling and transportation costs.

Selling, General and Administrative Expenses:

Our selling, general and administrative ("SG&A") expenses are comprised of advertising, selling, occupancy, delivery, administrative costs, and certain warehouse and transportation related expenses including accessorial and demurrage fees. The costs associated with our purchasing, warehousing, delivery and other distribution costs included in SG&A expense were approximately \$92,363,000, \$101,486,000 and \$94,239,000 in 2023, 2022 and 2021, respectively.

Leases:

We determine if an arrangement contains a lease in whole or in part at the inception of the contract. Right-of-use (ROU) assets represent our right to use an underlying asset for the lease term while lease liabilities represent our obligation to make lease payments arising from the lease. All leases greater than 12 months result in the recognition of a ROU asset and a liability at the lease commencement date based on the present value of the lease payments over the lease term. As most of our leases do not provide the information required to determine the implicit rate, we use our incremental borrowing rate in determining the present value of lease payments. Our incremental borrowing rate approximates the rate we would get if borrowing on a collateralized basis based on information available at commencement date. We use the implicit rate when readily determinable.

Our lease terms include all non-cancelable periods and may include options to extend (or to not terminate) the lease when it is reasonably certain that we will exercise that option. Leases that have a term of 12 months or less at the commencement date are expensed on a straight-line basis over the lease term and do not result in the recognition of an asset or a liability.

Lease expense for operating leases is recognized on a straight-line basis over the lease term. We have lease agreements with lease and non-lease components, primarily related to real estate and we account for the lease and non-lease components as a single lease component. See Note 8, "Leases," for additional information.

Advertising Expense:

Advertising costs, which include television, radio, newspaper, digital, and other media advertising, are expensed upon first showing. The total amount of prepaid advertising costs included in other current assets was approximately \$1,064,000 and \$118,000 at December 31, 2023 and 2022, respectively. We incurred approximately \$43,448,000, \$51,381,000 and \$49,338,000 in advertising expense during 2023, 2022 and 2021, respectively.

Interest Income, net:

We report interest income net of interest expense. Interest income is generated by our cash equivalents and restricted cash equivalents. Interest expense is comprised of charges incurred related to our credit facility. The total amount of interest expense was approximately \$162,000, \$154,000 and \$152,000 during 2023, 2022 and 2021, respectively.

Other Income, net:

Other income, net includes any gains or losses on sales of property and equipment and other income or expense items outside of core operations.

Self-Insurance:

We are self-insured, for amounts up to a deductible per occurrence, for losses related to general liability, workers' compensation and vehicle claims. We are primarily self-insured for employee group health care claims. We have purchased insurance coverage in order to establish certain limits to our exposure on a per claim basis. We maintain an accrual for these costs based on claims filed and an estimate of claims incurred but not reported or paid, based on historical data and actuarial estimates. The current portion of these self-insurance reserves is included in accrued liabilities and the non-current portion is included in other liabilities. These reserves totaled \$7,686,000 and \$8,096,000 at December 31, 2023 and 2022, respectively.

Fair Values of Financial Instruments:

The fair values of our cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable and customer deposits approximate their carrying amounts due to their short-term nature. The assets that are related to our self-directed, non-qualified deferred compensation plans for certain executives and employees are valued using quoted market prices, a Level 1 valuation technique.

Impairment of Long-Lived Assets:

We review long-lived assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable. If an indicator of impairment is identified, we evaluate the long-lived assets at the individual property or store level, which is the lowest level at which individual cash flows can be identified. We evaluate right-of-use assets at the same level and exclude operating lease liabilities when evaluating for impairment. When evaluating assets for potential impairment, we first compare the carrying amount of the asset to the store's estimated future cash flows (undiscounted and without interest charges). If the estimated future cash flows are less than the carrying amount of the asset, an impairment loss calculation is prepared. The impairment loss calculation compares the carrying amount of the asset to the estimated fair value of the store's assets, which is determined on the basis of fair value for similar assets or discounted future cash flows. If required, an impairment loss is recorded in SG&A expense for the difference in the asset's carrying value and the asset's estimated fair value. No impairment losses were recorded in 2023, 2022, and 2021.

Earnings Per Share:

We report our earnings per share using the two-class method. The income per share for each class of common stock is calculated assuming 100% of our earnings are distributed as dividends to each class of common stock based on their contractual rights. See Note 13, "Earnings Per Share" for the computational components of basic and diluted earnings per share.

Accumulated Other Comprehensive Income (Loss):

Accumulated other comprehensive income (loss) ("AOCI"), net of income taxes, was comprised of unrecognized retirement liabilities totaling approximately \$983,000 and \$756,000 at December 31, 2023 and 2022, respectively. See Note 11, "Accumulated Other Comprehensive Loss" for the amounts reclassified out of AOCI to SG&A expense related to our supplemental executive retirement plan.

Recently Issued Accounting Pronouncements:

Changes to U.S. GAAP are established by the Financial Accounting Standards Board ("FASB") in the form of ASUs to the FASB's Accounting Standards Codification. We considered the applicability and impact of all ASUs. We assessed and determined none were either applicable or are expected to have minimal impact on our consolidated financial position or results of operations.

Note 2, Revenues and Segment Reporting:

The following table presents our revenues disaggregated by each major product category and service for each of the last three years (dollars in thousands, amounts and percentages may not always add due to rounding):

	Year Ended December 31,					
	2023		2022		2021	
	Net Sales	% of Net Sales	Net Sales	% of Net Sales	Net Sales	% of Net Sales
Merchandise:						
Case Goods						
Bedroom Furniture	\$ 132,072	15.3 %	\$ 168,432	16.1 %	\$ 156,033	15.4 %
Dining Room Furniture	97,969	11.4	118,139	11.3	109,522	10.8
Occasional	68,592	8.0	85,278	8.1	86,849	8.6
	298,633	34.6	371,849	35.5	352,404	34.8
Upholstery	370,921	43.0	445,306	42.5	433,525	42.8
Mattresses	74,798	8.7	85,208	8.1	90,224	8.9
Accessories and Other ⁽¹⁾	117,781	13.7	144,852	13.8	136,646	13.5
	<u>\$ 862,133</u>	<u>100.0 %</u>	<u>\$ 1,047,215</u>	<u>100.0 %</u>	<u>\$ 1,012,799</u>	<u>100.0 %</u>

(1) Includes delivery charges and product protection.

Estimated refunds for returns and allowances are recorded based on estimated margin using our historical return patterns. We record estimated refunds for sales returns on a gross basis and the carrying value of the return asset is presented separately from inventory. Estimated return inventory of \$624,000 and \$875,000 at December 31, 2023 and 2022, respectively, is included in the line item "Other current assets" and the estimated refund liability of \$1,969,000 and \$2,588,000 at December 31, 2023 and 2022, respectively, is included in the line item "Accrued liabilities" on the Consolidated Balance Sheets.

We record customer deposits when payments are received in advance of the delivery of merchandise, which totaled \$35,837,000 and \$47,969,000 at December 31, 2023 and December 31, 2022, respectively. Of the customer deposit liabilities at December 31, 2022, approximately \$293,000 has not been recognized through net sales in the twelve months ended December 31, 2023.

We typically offer our customers an opportunity for us to deliver their purchases and most choose this service. Delivery fees of approximately \$36,187,000, \$52,199,000 and \$50,002,000 were charged to customers in 2023, 2022 and 2021, respectively, and are included in net sales. The costs associated with deliveries are included in selling, general and administrative expenses and were approximately \$42,361,000, \$48,071,000, and \$45,914,000 in 2023, 2022 and 2021, respectively.

We operate within a single reportable segment. We use a market area approach for both financial and operational decision making. Each of these market areas are considered individual operating segments. The individual operating segments all have similar economic characteristics. The retail stores within the market areas are similar in size and carry substantially identical products selected for the same target customer. We also use the same distribution methods chain-wide.

Note 3, Inventories:

Inventories are measured using the last-in, first-out (LIFO) method of valuation. The excess of current costs over our carrying value of inventories was approximately \$36,133,000 and \$45,545,000 at December 31, 2023 and 2022, respectively. The use of the LIFO valuation method as compared to the FIFO method had a positive impact on our cost of goods sold of approximately \$9,412,000 in 2023, and a negative impact of approximately \$10,841,000 in 2022 and \$12,310,000 in 2021. During 2023, there were liquidations of LIFO inventory layers. The effect of the liquidations during 2023 (included in the preceding LIFO impact amount) decreased cost of goods sold by approximately \$410,000 or \$0.02 per diluted share of common stock. We believe this information is meaningful to the users of these consolidated financial statements for analyzing the effects of price changes, for better understanding our financial position and for comparing such effects with other companies.

Note 4, Property and Equipment:

Property and equipment are summarized as follows:

<i>(In thousands)</i>	2023	2022
Land and improvements	\$ 37,261	\$ 35,015
Buildings and improvements	254,995	217,293
Furniture and fixtures	100,857	98,305
Equipment	64,735	61,270
Construction in progress	5,581	5,423
	463,429	417,306
Less accumulated depreciation	(291,841)	(279,831)
Property and equipment, net	<u>\$ 171,588</u>	<u>\$ 137,475</u>

Note 5, Credit Arrangement:

In October 2022 we entered into the Fourth Amendment to Amended and Restated Credit Agreement (as amended, the "Credit Agreement") with a bank to increase the revolving credit facility to \$80,000,000, extend the maturity date to October 24, 2027, and replace the LIBOR rate with the SOFR rate as the interest rate benchmark.

The Credit Agreement is a \$80,000,000 revolving credit facility secured by our inventory, accounts receivable, cash, and certain other personal property. Availability fluctuates based on a borrowing base calculation reduced by outstanding letters of credit. Amounts available to borrow are based on the lesser of the borrowing base or the \$80,000,000 line amount. The credit facility contains covenants that, among other things, limit our ability to incur certain types of debt or liens, enter into mergers and consolidations or use proceeds of borrowing for other than permitted uses. The covenants also limit our ability to pay dividends if unused availability is less than \$12,500,000.

The borrowing base was \$130,507,000 at December 31, 2023 and there were no outstanding letters of credit, accordingly, the net availability was \$80,000,000.

Note 6, Accrued Liabilities and Other Liabilities:

Accrued liabilities and other liabilities consist of the following:

<i>(In thousands)</i>	2023	2022
Accrued liabilities:		
Employee compensation, related taxes and benefits	\$ 19,312	\$ 22,262
Taxes other than income and withholding	11,293	8,862
Self-insurance reserves	5,593	5,892
Other	10,091	11,660
	<u>\$ 46,289</u>	<u>\$ 48,676</u>
Other liabilities:		
Deferred compensation	9,783	8,158
SERP, noncurrent	6,594	6,342
Self-insurance reserves	2,093	2,204
Other	8,636	1,669
	<u>\$ 27,106</u>	<u>\$ 18,373</u>

Note 7, Income Taxes:

The provision for income taxes for the years ended December 31 consist of the following:

<i>(In thousands)</i>	2023	2022	2021
Current			
Federal	\$ 14,015	\$ 25,318	\$ 22,832
State	3,548	4,241	4,666
	<u>17,563</u>	<u>29,559</u>	<u>27,498</u>
Deferred			
Federal	474	(628)	589
State	(1,645)	1,212	(355)
	<u>(1,171)</u>	<u>584</u>	<u>234</u>
Total income tax expense	<u>\$ 16,392</u>	<u>\$ 30,143</u>	<u>\$ 27,732</u>

The differences between income tax expense in the accompanying Consolidated Financial Statements and the amount computed by applying the statutory Federal income tax rate are as follows:

<i>(In thousands)</i>	2023	2022	2021
Statutory rates applied to income before income taxes	\$ 15,274	\$ 25,095	\$ 24,949
State income taxes, net of Federal tax benefit	2,042	4,888	3,836
Nondeductible compensation expense	878	368	358
Other	(1,802)	(208)	(1,411)
	<u>\$ 16,392</u>	<u>\$ 30,143</u>	<u>\$ 27,732</u>

Our effective tax rate differs from the federal statutory rate primarily due to state income taxes.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The amounts in the following table are grouped based on broad categories of items that generate the deferred tax assets and liabilities.

<i>(In thousands)</i>	2023	2022
Deferred tax assets:		
Property and equipment	\$ 8,183	\$ 7,414
Lease liabilities	54,390	55,322
Accrued liabilities	11,899	11,786
Retirement benefits	136	60
State tax credits	1,710	1,158
Other	531	702
Total deferred tax assets	<u>76,849</u>	<u>76,442</u>
Deferred tax liabilities:		
Inventory related	9,145	7,058
Right-of-use lease assets	51,123	53,320
Other	940	563
Total deferred tax liabilities	<u>61,208</u>	<u>60,941</u>
Net deferred tax assets	<u>\$ 15,641</u>	<u>\$ 15,501</u>

We review our deferred tax assets to determine the need for a valuation allowance. Based on evidence, we concluded that it is more-likely-than-not that our deferred tax assets will be realized and therefore a valuation allowance is not required.

We file income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions. With respect to U.S. federal, state and local jurisdictions, with limited exceptions, we are no longer subject to income tax audits for years before 2020.

Uncertain Tax Positions

Interest and penalties associated with uncertain tax positions, if any, are recognized as components of income tax expense. No amounts for uncertain tax positions were recorded for the years currently open under statute of limitations.

Note 8, Leases:

We have operating leases for retail stores, offices, warehouses, and certain equipment. Our leases have remaining lease terms of between 1 year and 12 years, some of which include options to extend the leases for up to 20 years. We determine if an arrangement is or contains a lease at lease inception. Our leases do not have any residual value guarantees or any restrictions or covenants imposed by lessors. We have lease agreements for real estate with lease and non-lease components, which are accounted for separately.

As of December 31, 2023, there were no leases for retail locations which had not yet commenced.

The table below presents the operating lease assets and liabilities recognized on the consolidated balance sheets as of December 31:

<i>(in thousands)</i>	2023	2022
Operating Lease Assets:		
Right-of use lease assets	\$ 202,306	\$ 207,390
Operating Lease Liabilities:		
Current lease liabilities	\$ 37,357	\$ 34,442
Non-current lease liabilities	180,397	186,845
Total operating lease liabilities	\$ 217,754	\$ 221,287

Our leases generally do not provide an implicit rate, and therefore we use our incremental borrowing rate as the discount rate when measuring operating lease liabilities. The incremental borrowing rate represents an estimate of the interest rate we would incur at lease commencement to borrow an amount equal to the lease payments on a collateralized basis over the term of the lease.

The weighted-average remaining lease term and weighted-average discount rate for operating leases as of December 31 are:

	2023	2022
Weighted-average remaining lease term	6.7 years	7.6 years
Weighted-average discount rate	6.07 %	5.52 %

The table below reconciles the undiscounted future minimum lease payments (displayed by year and in the aggregate) under noncancelable operating leases with terms of more than one year to the total lease liabilities recognized on the consolidated balance sheet as of December 31, 2023:

<i>(in thousands)</i>	Operating Leases
2024	\$ 49,177
2025	45,848
2026	39,904
2027	33,279
2028	28,198
Thereafter	70,454
Total undiscounted future minimum lease payments	266,860
Less: difference between undiscounted lease payments and discounted operating lease liabilities	(49,106)
Total operating lease liabilities	\$ 217,754

Certain of our lease agreements for retail stores include variable lease payments, generally based on sales volume. The variable portion of payments are not included in the initial measurement of the right-of-use asset or lease liability due to uncertainty of the payment amount and are recorded as lease expense in the period incurred. Certain of our equipment lease agreements include variable lease costs, generally based on usage of the underlying asset (mileage, fuel, etc.). The variable portion of payments are not included in the initial measurement of the right-of-use asset or lease liability due to uncertainty of the payment amount and are recorded as lease expense in the period incurred.

Components of lease expense which are included in selling, general, and administrative expenses within our consolidated statements of comprehensive income were as follows:

<i>(in thousands)</i>	Year Ended December 31,		
	2023	2022	2021
Operating lease cost	\$ 49,148	\$ 46,449	\$ 46,774
Variable lease cost	6,170	6,969	6,680
Total lease expense	\$ 55,318	\$ 53,418	\$ 53,454

Supplemental cash flow information related to leases is as follows:

<i>(In thousands)</i>	Year Ended December 31,	
	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 46,622	\$ 40,513
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 53,419	\$ 25,419

Note 9, Stockholders' Equity:

Common Stock has a preferential dividend rate of at least 105% of the dividend paid on Class A Common Stock. Class A Common Stock has greater voting rights which include: voting as a separate class for the election of 75% of the total number of directors and on all other matters subject to shareholder vote, each share of Class A Common Stock has ten votes and votes with the Common Stock as a single class. Class A Common Stock is convertible at the holder's option at any time into Common Stock on a 1-for-1 basis; Common Stock is not convertible into Class A Common Stock.

A special cash dividend of \$1.00 for Common Stock and \$0.95 for Class A Common Stock was paid in the fourth quarter of 2023 and 2022. Total dividends paid on Common Stock were \$32,612,000, \$31,432,000 and \$48,837,000 in 2023, 2022 and 2021, respectively. Total dividends paid on Class A Common Stock were \$2,628,000, \$2,516,000 and \$3,609,000 in 2023, 2022 and 2021, respectively.

Note 10, Benefit Plans:

We have a non-qualified, non-contributory supplemental executive retirement plan (the "SERP") for employees whose retirement benefits are reduced due to their annual compensation levels. The SERP was frozen as of December 31, 2015 and no additional benefits were earned or have been accrued after that date. The SERP provides annual benefits amounting to 55% of final average earnings less benefits payable from Social Security benefits and our former pension plan which was settled in 2014. The SERP limits the total amount of annual retirement benefits that may be paid to a participant from all sources (former pension plan, Social Security and the SERP) to \$125,000. The SERP is not funded so we pay benefits directly to participants.

The following table summarizes information about our SERP.

<i>(In thousands)</i>	2023	2022
Change in benefit obligation:		
Benefit obligation at beginning of the year	\$ 6,806	\$ 8,756
Interest cost	361	241
Actuarial (gains) losses	303	(1,832)
Benefits paid	(380)	(359)
Benefit obligation at end of year	7,090	6,806
Change in plan assets:		
Employer contribution	380	359
Benefits paid	(380)	(359)
Fair value of plan assets at end of year	—	—
Funded status of the plan – (underfunded)	\$ (7,090)	\$ (6,806)
Accumulated benefit obligations	\$ 7,090	\$ 6,806

Amounts recognized in the consolidated balance sheets consist of:

<i>(In thousands)</i>	2023	2022
Current liabilities	\$ (496)	\$ (464)
Noncurrent liabilities	(6,594)	(6,342)
	\$ (7,090)	\$ (6,806)

The net actuarial loss recognized in accumulated other comprehensive income (loss) before the effect of income taxes was \$451,000 in 2023 and \$148,000 in 2022.

Net pension cost included the following components:

<i>(In thousands)</i>	2023	2022	2021
Interest cost on projected benefit obligation	\$ 361	\$ 241	\$ 213
Amortization of actuarial loss	—	218	257
Net pension costs	\$ 361	\$ 459	\$ 470

There are no actuarial loss amounts expected to be amortized from accumulated other comprehensive loss into net periodic cost in 2024.

Assumptions

We use a measurement date of December 31 for our SERP plan. Assumptions used to determine net periodic benefit cost for years ended December 31 are as follows:

	2023	2022	2021
Discount rate	5.43 %	2.80 %	2.41 %
Rate of compensation increase	n/a	n/a	n/a

Assumptions used to determine benefit obligations at December 31 for the SERP are as follows:

	2023	2022
Discount rate	5.14 %	5.43 %
Rate of compensation increase	n/a	n/a

Cash Flows

The following schedule outlines the expected benefit payments related to the SERP in future years. These expected benefits were estimated based on the same actuarial assumptions used to determine benefit obligations at December 31, 2023.

<i>(In thousands)</i>	2024	2025	2026	2027	2028	2029-2033
Benefit Payments	\$ 496	\$ 539	\$ 592	\$ 610	\$ 592	\$ 2,729

Other Plans

We have an employee savings/retirement (401(k)) plan to which substantially all our employees may contribute. We match employee contributions 100% up to 4% of a participant's compensation, with a maximum match per participant of \$13,200 in 2023 and \$12,200 in 2022 and \$11,600 in 2021. We expensed employer contributions of approximately \$6,050,000, \$6,431,000 and \$6,046,000 in 2023, 2022 and 2021, respectively.

We offer participation in a self-directed, non-qualified deferred compensation plan to certain executives and employees. The plan allows a participant to defer a portion of their income. We may also make annual contributions based on the participant's annual deferral, and our contributions were approximately \$72,000, \$69,000 and \$74,000 in 2023, 2022, and 2021, respectively. The investments for the plan (and its predecessor plan) are held in rabbi trusts and are used to meet the obligations of the plans and precludes us from using such assets for operating purposes. The plans' assets totaled approximately \$9,772,000 and \$8,152,000 at December 31, 2023 and 2022, respectively, and are included in other assets. The related liability under the plans of approximately \$9,783,000 and \$8,158,000 at December 31, 2023 and 2022, respectively, is included in other liabilities.

We offer no post-retirement benefits other than the plans discussed above and no significant post-employment benefits.

Note 11, Accumulated Other Comprehensive Loss:

The following summarizes the changes in the balance and the reclassifications out of accumulated other comprehensive loss on our Consolidated Balance Sheets to the Consolidated Statements of Comprehensive Income:

<i>(In thousands)</i>	Year Ended December 31,		
	2023	2022	2021
Beginning balance	\$ (756)	\$ (2,293)	\$ (2,560)
Other comprehensive income (loss)			
Defined benefit pension plan:			
Net gain (loss) during year	(303)	1,832	99
Amortization of net loss ⁽¹⁾	—	218	257
	(303)	2,050	356
Tax expense (benefit)	(76)	513	89
Total other comprehensive (loss) income	(227)	1,537	267
Ending balance	\$ (983)	\$ (756)	\$ (2,293)

(1) These amounts are included in the computation of net periodic pension costs and were reclassified to selling, general and administrative costs.

Note 12, Stock-Based Compensation Plans:

We have issued and outstanding awards under two employee compensation plans, the 2021 Long-Term Incentive Plan (the "2021 LTIP Plan") and the 2014 Long Term Incentive Plan (the "2014 LTIP Plan"). No new awards may be granted under the 2014 LTIP Plan. Grants of stock-settled appreciation rights, restricted units, and performance units have been made to certain officers and key employees. All equity awards are settled in shares of Common Stock. As of December 31, 2023, approximately 1,003,000 shares were available for awards under the 2021 LTIP Plan.

The following table summarizes our equity award activity during the years ended December 31, 2023, 2022, and 2021:

	Service-Based Restricted Stock Awards		Performance-Based Restricted Stock Awards	
	Shares or Units (#)	Weighted-Average Award Price(\$)	Shares or Units(#)	Weighted-Average Award Price (\$)
Outstanding at December 31, 2020	239,281	20.77	213,895	21.08
Granted	120,221	33.29	93,685	32.83
Awards vested or rights exercised	(130,323)	21.28	(56,578)	22.95
Forfeited	(10,097)	25.85	—	—
Units forfeited due to performance	—	—	77,265	20.42
Outstanding at December 31, 2021	219,082	27.10	328,267	23.96
Granted	155,681	28.88	103,104	28.86
Awards vested or rights exercised	(122,680)	27.13	(34,940)	20.28
Forfeited	(14,781)	28.55	(19,033)	26.12
Additional units earned due to performance	—	—	59,249	32.83
Outstanding at December 31, 2022	237,302	28.16	436,647	26.56
Granted	177,098	33.02	106,557	33.08
Awards vested or rights exercised	(147,930)	27.12	(190,700)	20.50
Forfeited	(16,535)	30.93	(3,070)	32.75
Additional units earned due to performance	—	—	3,753	28.86
Outstanding at December 31, 2023	249,935	32.05	353,187	31.77
Restricted units expected to vest	249,935	32.05	328,573	31.67

The total fair value of service-based restricted stock awards that vested in 2023, 2022 and 2021 was approximately \$3,789,000, \$3,338,000 and \$6,069,000, respectively. The aggregate intrinsic value of outstanding restricted stock awards was \$8,873,000 at December 31, 2023. The restrictions on the service-based awards generally lapse or vest annually, primarily over one-year or three-year periods.

The total fair value of performance-based restricted stock awards that vested in 2023, 2022 and 2021 was approximately \$7,182,000, \$993,000 and \$2,046,000, respectively. The aggregate intrinsic value of outstanding performance awards at December 31, 2023 expected to vest was \$11,664,000. The performance awards are based on one-year performance periods but cliff vest in approximately three years from grant date.

The compensation for all awards is being charged to selling, general and administrative expense over the respective grants' vesting periods, primarily on a straight-line basis, and was approximately \$8,010,000, \$7,195,000 and \$8,213,000 in 2023, 2022 and 2021, respectively. Forfeitures are recognized as they occur. The tax (benefit) recognized related to all awards was approximately \$(766,000), \$(73,000) and \$(1,011,000) in 2023, 2022 and 2021, respectively. As of December 31, 2023, the total compensation cost related to unvested equity awards was approximately \$6,130,000 and is expected to be recognized over a weighted-average period of 1.7 years.

Note 13, Earnings Per Share:

The following is a reconciliation of the income and number of shares used in calculating the diluted earnings per share for Common Stock and Class A Common Stock (amounts in thousands except per share data):

Numerator:	2023	2022	2021
Common:			
Distributed earnings	\$ 32,612	\$ 31,432	\$ 48,837
Undistributed earnings	19,491	51,290	35,653
Basic	52,103	82,722	84,490
Class A Common earnings	4,216	6,636	6,313
Diluted	\$ 56,319	\$ 89,358	\$ 90,803
Class A Common:			
Distributed earnings	\$ 2,628	\$ 2,516	\$ 3,609
Undistributed earnings	1,588	4,120	2,704
	\$ 4,216	\$ 6,636	\$ 6,313
Denominator:	2023	2022	2021
Common:			
Weighted average shares outstanding - basic	14,988	15,225	16,710
Assumed conversion of Class A Common Stock	1,282	1,284	1,330
Dilutive awards and common stock equivalents	504	529	503
Total weighted average diluted Common Stock	16,774	17,038	18,543
Class A Common:			
Weighted average shares outstanding	1,282	1,284	1,330
Basic net earnings per share			
Common Stock	\$ 3.48	\$ 5.43	\$ 5.06
Class A Common Stock	\$ 3.29	\$ 5.17	\$ 4.75
Diluted net earnings per share			
Common Stock	\$ 3.36	\$ 5.24	\$ 4.90
Class A Common Stock	\$ 3.25	\$ 5.07	\$ 4.69

Schedule II – Valuation and Qualifying Accounts
Haverty Furniture Companies, Inc.

Column A	Column B	Column C	Column D	Column E
(In thousands)	Balance at beginning of period	Additions charged to costs and expenses	Deductions Describe (1)(2)	Balance at end of period
Year ended December 31, 2023:				
Refund on estimated returns and allowances	\$ 2,588	\$ 20,722	\$ 21,341	\$ 1,969
Year ended December 31, 2022:				
Refund on estimated returns and allowances	\$ 2,447	\$ 26,802	\$ 26,661	\$ 2,588
Year ended December 31, 2021:				
Reserve for cancelled sales and allowances	\$ 2,378	\$ 25,563	\$ 25,494	\$ 2,447

(1) Reserve for cancelled sales and allowances: impact of sales cancelled after delivery plus amount of allowance given to customers.

(2) Refund on estimated returns and allowances: impact of sales cancelled after delivery plus amount of allowance given to customers.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 7, 2024.

HAVERTY FURNITURE COMPANIES, INC.

By: **/s/ CLARENCE H. SMITH**

Clarence H. Smith
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities indicated, on March 7, 2024.

/s/ CLARENCE H. SMITH

Clarence H. Smith
Chairman of the Board and
Chief Executive Officer
(principal executive officer)

/s/ RICHARD B. HARE

Richard B. Hare
Executive Vice President and
Chief Financial Officer
(principal financial and accounting officer)

/s/ MICHAEL R. COTE

Michael R. Cote
Director

/s/ MYLLE H. MANGUM

Mylle H. Mangum
Director

/s/ L. ALLISON DUKES

L. Allison Dukes
Director

/s/ VICKI R. PALMER

Vicki R. Palmer
Director

/s/ RAWSON HAVERTY, JR.

Rawson Haverty, Jr.
Director

/s/ DEREK G. SCHILLER

Derek G. Schiller
Director

/s/ G. THOMAS HOUGH

G. Thomas Hough
Lead Director

/s/ AL TRUJILLO

Al Trujillo
Director

**HAVERTY FURNITURE COMPANIES, INC.
NON-EMPLOYEE DIRECTOR COMPENSATION PLAN**

**SECTION 1
PURPOSE**

1.1 Purpose

The purpose of the Non-Employee Director Compensation Plan (the "Plan") is to enable Haverty Furniture Companies, Inc. (the "Company") to compensate non-employee members (each, a "Non-Employee Director") of the Company's Board of Directors (the "Board") who contribute to the Company's success by their abilities, ingenuity and industry, and to better ensure that the interest of such Non-Employee Directors are more closely aligned with the interests of the Company's stockholders. This Plan replaces in its entirety the Haverty Furniture Companies, Inc. Amended and Restated Non-Employee Director Compensation Plan (the "Prior Plan").

**SECTION 2
ADMINISTRATION**

2.1 Nominating, Compensation and Governance Committee

The Plan shall be administered by the Nominating, Compensation and Governance Committee of the Board (the "NCG Committee"). The day-to-day administration of the Plan shall be administered by a committee consisting of the chairman of the Board, chief executive officer and corporate secretary of the Company or such other senior officers as the chief executive officer shall designate (the "Administrative Committee"). Under the direction and guidance of the NCG Committee of the Board, the Administrative Committee shall interpret the Plan, shall recommend to the NCG Committee amendments and rescissions of rules relating to it from time to time as it deems proper and in the best interest of the Company and shall take any other action necessary for the administration of the Plan.

**SECTION 3
PARTICIPATION**

3.1 Participants

Each person who is a Non-Employee Director on the Effective Date (as defined in Section 6.1 of the Plan) shall become a participant in the Plan on the Effective Date. Thereafter, each Non-Employee Director shall become a participant immediately upon election or appointment to the Board, as applicable.

SECTION 4 SHARES AVAILABLE FOR THE PLAN

4.1 Maximum Number of Shares

Subject to 4.2, the maximum number of shares of the Company's common stock, \$1.00 par value per share (the "Common Stock") which may at any time be awarded under the Plan is five hundred thousand (500,000) shares of Common Stock. From and after the Effective Date (as defined in Section 6.1 of the Plan), no further awards shall be granted under the Prior Plan and the Prior Plan shall remain in effect only so long as awards granted thereunder shall remain outstanding. Awards may be from shares held in the Company's treasury.

4.2 Adjustment to Shares of Stock Issuable Pursuant to the Plan

In the event of any change in the outstanding shares of Common Stock by reason of any stock split, stock split-up, stock dividend, recapitalization, merger, consolidation, combination or exchange of shares, or other similar change in corporate structure or change affecting the capitalization of the Company, an equitable adjustment shall be made to the number of shares issuable under this Plan as the Board determines is necessary or appropriate, in its discretion, to give proper effect to such corporate action. Any such adjustment determined in good faith by the Board shall be conclusive and binding for all purposes of this Plan.

SECTION 5 COMPENSATION

5.1 Amount of Compensation

The annual retainer, annual stock grant, meeting fees (if applicable), committee fee or any other compensation paid to Non-Employee Directors ("Director Compensation") shall be determined by the NCG Committee and set forth on Schedule I hereto. Director Compensation, other than the annual stock grant, shall be paid, unless deferred pursuant to the current Director's Deferred Compensation Plan, or any successor thereto, as amended from time to time ("Deferred Compensation Plan"), as provided in this Section 5.

5.2 Annual Retainer

(a) Annual Retainer. The annual retainer ("Annual Retainer") shall be determined by the NCG Committee and set forth on Schedule I hereto. The Annual Retainer shall consist of cash (the "Cash Retainer") and Common Stock (the "Equity Retainer"). Except as otherwise provided in Section 5.8 hereof, the Equity Retainer shall be granted on the first Payment Date of the Annual Period. The Cash Retainer shall be paid quarterly.

In the discretion of each Non-Employee Director, he or she may, by written election made on or before October 31 of the calendar year prior to the Annual Period, elect to receive 100% of his or her Annual Retainer in shares of Common Stock. Such election shall be irrevocable with respect to the next Annual Period's Annual Retainer and shall be effective for the next succeeding Payment Date.

(b) Determination of Number of Shares of Common Stock Issuable. On the first day of the Annual Period each year, the number of whole shares of Common Stock to be paid to a Non-Employee Director in respect of such Non-Employee Director's Equity Retainer shall be determined by dividing the dollar amount of the Annual Retainer to be paid in Common Stock by the Market Price (as hereinafter defined) of the Common Stock as of the first day of the Annual Period (or if the first day of the Annual Period is not a day on which trading is conducted on the securities market or exchange on which the Common Stock is

then traded, then as of the last such trading day occurring before the first day of the Annual Period). No fractional share shall be paid pursuant to this Section 5.2(b) and in lieu thereof the Non-Employee Director shall be paid the cash equivalent of any such fraction share.

For the purpose of this Plan, "Market Price" shall mean, as of any date, the closing price of the Common Stock on such date as quoted by the New York Stock Exchange or, if the Common Stock is then traded on a different securities market or exchange, the closing price of such Common Stock as quoted on such market or exchange.

5.3 Annual Stock Grant

The Annual Stock Grant Value ("Annual Stock Grant Value") shall be determined by the NCG Committee and set forth on Schedule L hereto. Except as otherwise provided in Section 5.8 hereof, each Non-Employee Director in service on the first payment date of the Annual Period shall receive a grant of shares of fully-vested Common Stock (the "Annual Stock Grant"). The number of shares of Common Stock in the Annual Stock Grant shall be determined by (A) dividing the Annual Stock Grant Value as in effect for that Annual Period by the Market Price of the Common Stock on the date of grant of the Annual Stock Grant, and (B) rounding to the nearest whole number.

5.4 Meeting Fees; Committee Chairman Fees

In addition to payment of the Annual Retainer and the Annual Stock Grant provided for in Sections 5.2 and 5.3, respectively, each Non-Employee Director may be paid additional fees in cash for attendance at Board and committee meetings ("Meeting Fee"). An annual committee chair retainer fee shall be paid in cash to each Non-Employee Director who is serving as chairman of each of the Board's standing committees ("Committee Chairman Fee"). In addition, other fees may be paid from time to time, including committee membership fees, lead director retainers, etc. The Meeting Fees, if any, the Committee Chairman Fee, and any additional fees shall be determined by the NCG Committee from time to time and set forth on Schedule L hereto.

5.5 Deferral of Compensation

Each Director may, by October 31 of each calendar year prior to the Annual Period or at such later time as may be provided by Treasury Regulations promulgated under Section 409A of the Code, elect to (i) receive his or her Director Compensation for the Annual Period in the form of cash or Common Stock, paid in accordance with Section 5.2 and 5.3, (ii) defer receipt of the cash and/or common stock portion of his or her Annual Retainer, in accordance with, and pursuant to the terms and conditions of, the Deferred Compensation Plan, (iii) defer receipt of any applicable Meeting Fees and/or Committee Chairman Fees, in accordance with, and pursuant to the terms and conditions of, the Deferred Compensation Plan, (iii) defer receipt of shares underlying the Annual Stock Grant, in accordance with, and pursuant to the terms and conditions of, the Deferred Compensation Plan or (iv) any combination thereof. If no election is received by the Company, then the Non-Employee Director shall be deemed to have made an election to receive his or her Annual Retainer, Meeting Fees and Committee Chairman Fees, if applicable, and Annual Stock Grant in the same manner as the prior Annual Period. An election under this Section 5.5 and in accordance with the terms of the Deferred Compensation Plan shall apply to the Director Compensation earned during the Annual Period (as defined below) for which the election is effective.

5.6 Payment Dates

The term "Payment Date" shall mean the first day of the Annual Period.

5.7 Annual Period

The term "Annual Period" shall mean the period which begins on the Company's Annual Stockholders Meeting and terminates the day before the succeeding Annual Stockholders Meeting.

5.8 Mid-Year Appointment

If a Non-Employee Director is appointed to the Board on a date other than the Annual Stockholders Meeting, then (i) his or her Annual Retainer and Annual Stock Grant shall be prorated based on the number of calendar days between the date that Non-Employee Director is appointed to the Board and the next scheduled Annual Stockholders Meeting; and (ii) his or her Equity Retainer and Annual Stock Grant, pro-rated as provided herein, shall be granted on the date that his or her service on the Board commences.

SECTION 6 GENERAL PROVISIONS

6.1 Effective Date and Term of Plan

The Plan was adopted by the Board on February 24, 2023, and approved by the Company's stockholders on May 8, 2023 (the "Effective Date"). The Plan shall remain in effect, subject to the right of the Board to terminate the Plan at any time pursuant to Section 6.2, until the date immediately preceding the tenth (10th) anniversary of the Effective Date.

6.2 Termination and Amendment

Subject to the approval of the NCG Committee and the Board, the Administrative Committee may from time to time make such amendments to the Plan as it may deem proper and in the best interest of the Company, including, but not limited to, any amendment necessary to ensure that the Company may obtain any regulatory approval required; provided however, that to the extent required by applicable law, regulation or stock exchange rule, stockholder approval shall be required. The Board, at the recommendation of the NCG Committee, may at any time suspend the operation of or terminate the plan. No amendment, suspension or termination may impair the right of a Non-Employee Director or the Non-Employee Director's designated beneficiary to receive benefits accrued prior to the effective date of such amendment, suspension or termination.

6.3 Six Month Holding Period

All shares of Common Stock issued under the Plan must be held for six months from the date of issuance prior to any disposition by the Non-Employee Director.

6.4 Applicable Law

The Plan shall be construed and governed in accordance with the laws of the State of Georgia.

Name: ###PARTICIPANT_NAME###
Grant Name: ###RET 2021 LTIP (3-year vest)
Grant Date: ###GRANT_DATE###
Number of Shares: ###TOTAL_AWARDS###

34% vest on May 8, 202X
33% vest on May 8, 202X
33% vest on May 8, 202X

[annual vesting beginning in year after Grant Date]

RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to the terms and conditions of the Haverty Furniture Companies, Inc. 2021 Long-Term Incentive Plan (the "Plan") and to the terms and conditions set forth on the following pages (the "Terms and Conditions"), you were granted restricted stock units in the number of units indicated above (the "Units"). The Units are convertible, on a one-for-one basis, into shares of common stock upon vesting. The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan, except as otherwise expressly provided herein.

Unless vesting is accelerated in accordance with Section 1 of the Terms and Conditions, the Units will vest in accordance with the schedule indicated above, subject to your continued employment with the Company on such date.

You agree as a condition of accepting the Units that:

1. You acknowledge receipt of this award made on the date shown above, which has been issued and is subject to all the terms and conditions of the Plan and the Terms and Conditions set forth in this Award Agreement.
 2. You further acknowledge receipt of a copy of the Plan Prospectus and agree to conform to all of the terms and conditions of the Plan and the Terms and Conditions set forth in this Award Agreement.
 3. You acknowledge receipt of, and to have read, the Havertys Insider Trading Policy. Further, you acknowledge you understand and agree to comply with the procedures and requirements outlined in this policy.
-

TERMS AND CONDITIONS

1. Vesting. The Units have been credited to a bookkeeping account on your behalf. The Units will vest and become non-forfeitable on the earliest to occur of the following (each, a "Vesting Date"):
 - (a) as to all of the Units, on the Vesting Date(s) specified on the cover page hereof, subject to your continued employment on such Vesting Date(s);
 - (b) as to all of the Units, on your Termination of Employment by reason of your death or Disability;
 - (c) as to all of the Units, on the occurrence of a Change in Control, subject to your continued employment on such date, unless the Units are assumed by the surviving entity or otherwise equitably converted or substituted in connection with the Change in Control; or
 - (d) as to all of the Units, if the Units are assumed by the surviving entity or otherwise equitably converted or substituted in connection with a Change in Control, on your Termination of Employment without Cause within two years after the effective date of the Change in Control.

If you have a Termination of Employment prior to a Vesting Date for any reason other than as described in (b) or (d) above, then you will forfeit all right, title and interest in and to the then unvested Units as of the date of such Termination of Employment and the unvested Units will be reconveyed to the Company without further consideration or any act or action by you.

2. Retirement. If you have a Termination of Employment by reason of your Retirement and you comply with the restrictive covenants included in **Appendix A** attached hereto (the "Restrictive Covenants"), then, the Units will continue to vest for the 3-year period following your Retirement as if you did not have a Termination of Employment. If, in the sole discretion of the Nominating, Compensation and Governance Committee of the Board (the "*Committee*"), you violate any provision(s) of the Restrictive Covenants during the 3-year period following your Retirement, then you will forfeit all of your right, title and interest in and to such Units as of the date of such violation, and such Units shall be reconveyed to the Company without further consideration or any act or action by you.
3. Conversion to Shares.
 - (a) The Units that vest upon a Vesting Date will be converted to Shares on the Vesting Date. The Shares will be registered in your name as of the Vesting Date, and certificates for the Shares (or, at the option of the Company, statements of book entry notation of the Shares in your name in lieu thereof) will be delivered to you or your designee upon your request as soon as practicable after the Vesting Date, but no later than sixty (60) days following the Vesting Date.
 - (b) Notwithstanding the foregoing, if (i) the Units constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code, (ii) the Vesting Date occurs by reason of your Termination of Employment, and (iii) you are a "specified employee" of the Company (as defined in Section 409A of the Code and applicable regulations) as of the date of your Termination of Employment, then, to the extent required by Section 409A of the Code, the Shares will be

delivered to you on the first day of the seventh month following the date of your Termination of Employment.

4. Dividend Equivalent Rights; Voting Rights. The Units are not entitled to any dividends or dividend equivalent rights. You will not have voting rights with respect to the Units. Upon conversion of the Units into Shares, you will obtain full voting rights and other rights as a shareholder of the Company.
5. No Right of Continued Service. Nothing in this Award Agreement will interfere with or limit in any way the right of the Company to terminate your service at any time, nor confer upon you any right to continue to provide services to the Company.
6. Restrictions on Transfer and Pledge. The Units may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution.
7. Restrictions on Issuance of Shares. If at any time the Committee determines, in its discretion, that registration, listing or qualification of the Shares underlying the Units upon any securities exchange or under any foreign, federal, or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to the settlement of the Units, the Units will not be converted to Shares in whole or in part unless and until such registration, listing, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Committee.
8. Payment of Taxes. The Company has the authority and the right to deduct or withhold, or require you to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including your FICA obligation) required by law to be withheld with respect to any taxable event arising in connection with the Units. The withholding requirement shall be satisfied by withholding from the settlement of the Units Shares having a Fair Market Value on the date of withholding equal to the amount required to be withheld in accordance with applicable tax requirements.
9. Plan Controls. The terms contained in the Plan are incorporated into and made a part of this Award Agreement, and this Award Agreement will be governed by and construed in accordance with the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Award Agreement, the provisions of the Plan will be controlling and determinative.
10. Successors. This Award Agreement will be binding upon any successor of the Company, in accordance with the terms of this Award Agreement and the Plan.
11. Severability. If any provision or portion of this Award Agreement will be or become illegal, invalid or unenforceable in whole or in part for any reason, such provision will be ineffective only to the extent of such illegality, invalidity or unenforceability without invalidating the remainder of such provision or the remaining provisions of this Award Agreement. Upon such determination that any term or other provision is illegal, invalid, or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Award Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the agreements contemplated hereby are fulfilled to the extent possible.

12. Interpretation. The headings contained in this Award Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Award Agreement. The language in all parts of this Award Agreement will in all cases be construed according to its fair meaning, and not strictly for or against any party hereto. In this Award Agreement, unless the context otherwise requires, the masculine, feminine and neuter genders and the singular and the plural include one another.
13. Notice. Notices hereunder must be in writing, delivered personally or sent by registered or certified U.S. mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to 780 Johnson Ferry Road, Suite 800, Atlanta, Georgia 30342; Attn: Secretary, or any other address designated by the Company in a written notice to you. Notices to you will be directed to your address then currently on file with the Company, or at any other address given by you in a written notice to the Company.
14. Compensation Recoupment Policy. The Units will be subject to any compensation recoupment policy of the Company that is applicable by its terms to you and to awards of this type.
15. Applicable Law. This Award Agreement will be governed by and construed and interpreted in accordance with the laws of the State of Georgia without giving effect to its conflicts of law principles.

Appendix A

As a condition of your receipt of this award of Units, you agree to the covenants contained in this **Appendix A**. You acknowledge and agree that as a result of your employment with the Company, your knowledge of and access to Confidential Information (as defined below), and your relationships with the Company's customers and employees, you would have an unfair competitive advantage if you were to engage in activities in violation of the Covenants.

Section I. Definitions.

In addition to the defined terms contained within the body of these Covenants, the following terms shall have the following meanings:

1.1 "**Confidential Information**" means any data or information relating to the Company and its direct and indirect subsidiaries and corporate affiliates and their respective activities, business, customers, or suppliers that is (i) disclosed to you during your employment with the Company or of which you become aware as a consequence of your employment with the Company; (ii) valuable, important, or proprietary to the Company; and (iii) not generally known to the public or to competitors of the Company. Confidential Information includes, but is not limited to, all information that is marked "confidential" or "proprietary," trade secrets (as defined by applicable law), all information to which access is restricted, and all other information kept confidential, including information pertaining to costs, profits, markets, sales, products, product lines, key personnel, pricing policies, operational methods, customers, customer requirements, suppliers, plans for future developments, computer software (whether in source or object code), and other business affairs and methods and other information not readily available to the public. "Confidential Information" also includes combinations of information or materials which individually may be generally known outside of the Company, but for which the nature, method, or procedure for combining such information or materials is not generally known outside of the Company. In addition to data and information relating to the Company, "Confidential Information" also includes any and all data and information relating to or concerning a third party that otherwise meets the definition set forth above, that was provided or made available to the Company by such third party, and that the Company has a duty or obligation to keep confidential.

1.2 "**Prohibited Competitor**" means any one of the following companies or any parent or subsidiary thereof: Rooms to Go, Ashley Furniture Industries, Inc., Ethan Allan Interiors Inc., City Furniture, American Signature Furniture, Living Spaces, Nebraska Furniture Mart, or Bassett Furniture Industries, Inc.

1.3 "**Restricted Activities**" means the provision of sales, marketing, merchandising, buying, financial accounting, business planning, and/or management services similar to those provided by you to the Company.

1.4 "**Restricted Businesses**" means the business of selling furniture, home decorations, and home furnishing to consumers and business, as well as any other business conducted by the Company during the last two years of your employment with the Company.

1.5 "**Restricted Period**" means during the period of your employment with the Company and during the three (3) years after the date your employment with the Company ends by reasons of Retirement.

1.6 "**Territory**" means the following States within the United States of America and any other geographic area in which the Company operates or for which you are responsible at

the time of the termination of your employment: Alabama, Arkansas, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Maryland, Missouri, North Carolina, Ohio, South Carolina, Tennessee, Texas, and Virginia.

Section II. Confidential Information.

2.1 Confidential Information. You shall hold in confidence all Confidential Information and shall not disclose, publish or make use of any Confidential Information at any time without the prior written consent of the Company for as long as the information remains confidential.

2.2 Return of Materials. Upon the request of the Company and, in any event, upon the termination of your employment with the Company for any reason, you shall deliver to the Company, and not retain any copies of, all memoranda, notes, records, manuals or other documents (including, but not limited to, written instruments, electronically stored information, voice or data recordings, or computer tapes, disks or files of any nature), including all copies of such materials and all documentation prepared or produced in connection therewith, pertaining to the performance of your services for the Company, the business of the Company or its direct and indirect subsidiaries or corporate affiliates, or containing Confidential Information, whether made or compiled by you or furnished to you by virtue of your employment with the Company. You shall also deliver to the Company all computers, credit cards, telephones, office equipment, software, and other property the Company furnished to you by virtue of your employment with the Company. To the extent that you have electronic files or information in your possession or control that belong to the Company or contain Confidential Information (specifically including but not limited to electronic files or information stored on personal computers, mobile devices, electronic media, or in cloud storage), on or prior to your termination date, or at any other time the Company requests, you shall (i) provide the Company with an electronic copy of all of such files or information (in an electronic format that readily accessible by the Company); (ii) after doing so, delete all such files and information, including all copies and derivatives thereof, from all non-Company-owned computers, mobile devices, electronic media, cloud storage, and other media, devices, and equipment, such that such files and information are permanently deleted and irretrievable; and (iii) provide a written certification to the Company that the required deletions have been completed and specifying the files and information deleted and the media source from which they were deleted.

2.3 Interpretation. The restrictions stated in Sections 2.1 and 2.2 are in addition to, and not in lieu of, protections afforded to trade secrets, confidential information, electronically stored information, and Company property under applicable state and federal laws. Nothing in these Covenants is intended to or shall be interpreted as diminishing or otherwise limiting the Company's right under applicable law to protect its property and information. During your employment with the Company, you are authorized to use Confidential Information for the Company's sole benefit and in connection with your job duties without obtaining the Company's prior written approval.

2.4 Exceptions. Anything herein to the contrary notwithstanding, you shall not be restricted from: (i) disclosing information that is required to be disclosed by law, court order or other valid and appropriate legal process; *provided, however*, that in the event such disclosure is required by law, you shall provide the Company with prompt notice of such requirement so that the Company may seek an appropriate protective order prior to any such required disclosure by you; or (ii) reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, or from making other disclosures that are protected under the whistleblower provisions of federal, state, or local law or regulation, and you shall not need the prior authorization of the Company to make any such reports or disclosures and shall not be required to notify the Company that you have made such reports or disclosures.

Section III. Nonsolicitation; Noninterference.

3.1 Nonsolicitation of Customers and Suppliers. You hereby covenant and agree that you will not, during the Restricted Period, without the prior written consent of the Company, directly or indirectly, for yourself or for or on behalf of any other person or entity, solicit any business related to the Restricted Businesses from any of the Company's customers or suppliers, including actively sought prospective customers and suppliers, with whom you had Material Contact during your employment with the Company, except to the extent such solicitation is exclusively for the Company's benefit.

3.2 Nonsolicitation of Employees and Contractors. You hereby covenant and agree that you will not, during the Restricted Period, without the prior written consent of the Company, directly or indirectly, for yourself or for or on behalf of any other person or entity, recruit, solicit, or induce attempt to recruit, solicit, or induce any employee or independent contractor of the Company to terminate his/her employment or other relationship with the Company or to enter into employment or any other kind of business relationship with you or any other person or entity (whether or not such person would commit a breach of contract in so doing).

3.3 Noninterference with Relationships. You hereby covenant and agree that you will not, during the Restricted Period, without the prior written consent of the Company, directly or indirectly, for yourself or for or on behalf of any other person or entity, (i) solicit, induce, persuade, or attempt to solicit, induce, or persuade any vendor or supplier of the Company to cancel or adversely alter such vendor's or supplier's business relationship with the Company, or (ii) interfere or attempt to interfere with any of the Company's business relationships with its vendors or suppliers.

3.4 Non-disparagement. You hereby covenant and agree that you will not, during the Restricted Period, disparage, denigrate, or criticize the Company, its products and services, or its officers, directors, shareholders, or employees, including but not limited to television media, print media, social media, any other forms of media or via the Internet; provided, however, that this section shall not in any way limit any of your rights that are expressly reserved in Section 2.4 above or Section XIII below, or in any way limit your ability to provide truthful testimony or information in response to a subpoena, court order, or valid request by a government agency, or as otherwise required by law.

Section IV. Non-competition.

You hereby covenant that you will not, during the Restricted Period, without the prior written consent of the Company, directly or indirectly, for yourself or for or on behalf of any other person or entity, (i) engage in any Restricted Activities on behalf of or for the benefit of any Prohibited Competitor; or within the Territory, (ii) engage in any portion of the Restricted Business or provide any Restricted Activities to or for the benefit of any other person or entity which is engaged in any portion of the Restricted Business.

Section V. Ownership of Employee Developments.

5.1 Ownership of Work Product.

(a) You agree to promptly report and disclose to the Company all developments, discoveries, methods, processes, designs, inventions, ideas, or improvements, conceived, made, implemented, or reduced to practice by you, whether alone or acting with others, during your period of employment by the Company, that is developed (a) on the Company's time, or (b) while utilizing, directly or indirectly, the Company's equipment, supplies, facilities, or Confidential Information (hereinafter collective called "Work Product"). You acknowledge and agree that all Work Product is the sole and exclusive property of the Company. You hereby assign, agree to assign, and automatically assign, without further consideration, to the Company any and all rights, title, and interest in and to all Work Product; *provided, however*, that this Section shall not apply to any Work Product for which no equipment, supplies, facilities, or Confidential Information of the Company was used and which was developed entirely on your own time, unless the Work Product (i) relates directly to the Company's business or its actual or demonstrably anticipated research or development, or (ii) results from any work performed by you for the Company.

(b) The Company, its successors and assigns, shall have the right to obtain and hold in its or their own name copyright registrations, trademark registrations, patents and any other protection available to the Work Product.

5.2 Cooperation. You agree to perform, upon the reasonable request of the Company, during or after employment, such further acts as may be necessary or desirable to transfer, perfect, and defend the Company's ownership of the Work Product, including but not limited to: (1) executing, acknowledging, and delivering any requested affidavits and documents of assignment and conveyance; (2) assisting in the preparation, prosecution, procurement, maintenance and enforcement of all copyrights and/or patents with respect to the Work Product in any countries; (3) providing testimony in connection with any proceeding affecting the right, title, or interest of the Company in any Work Product; and (4) performing any other acts deemed necessary or desirable to carry out the purposes of these Covenants. The Company shall reimburse all reasonable out-of-pocket expenses incurred by you at the Company's request in connection with the foregoing.

Section VI. Reasonable and Necessary Restrictions.

6.1 You acknowledge that during the course of your employment with the Company, you have received or will receive and have had or will have access to Confidential Information, including but not limited to confidential and secret software and hardware design and development plans and strategies; computer software; business and marketing plans, strategies, and studies; and detailed client/customer lists and information relating to the operations and business requirements of those client/customers and, accordingly, you are willing to enter into this Appendix A in order to provide the Company with what you consider to be reasonable protections for its interests.

6.2 You acknowledge that the restrictions, prohibitions and other provisions in this Appendix A are reasonable, fair and equitable in scope, terms and duration, are necessary to protect the legitimate business interests of the Company, and are a material inducement to the Company to employ or continue to employ you, and to grant you the Units.

Section VII. Remedies.

In the event of any breach or threatened breach of the Covenants by you, you acknowledge and agree that the Company would be irreparably harmed thereby and that any remedies at law would be inadequate. Accordingly, you agree that in such event, the Company shall be entitled to immediate injunctive or other equitable relief to restrain or enjoin any such breach or threatened breach in addition to all other damages, remedies, and relief to which the Company may be entitled. The parties expressly waive any requirement for a bond to be posted in conjunction with a request for a temporary, preliminary or permanent injunction.

Section VIII. Severability; Modification.

You and the Company agree that it is their intention that the covenants in this Appendix A be enforced in accordance with their terms to the maximum extent permitted by law. Each of the covenants in this Appendix A shall be considered and construed as a separate and independent covenant. Should any part or provision of any of the covenants in this Appendix A be held invalid, void, or unenforceable, such invalidity, voidness, or unenforceability shall not render invalid, void, or unenforceable any other part or provision of this Appendix A or such covenant. If any of the provisions of the covenants in this Appendix A should ever be held by a court of competent jurisdiction to exceed the scope permitted by the applicable law, such provision or provisions shall be automatically modified to such lesser scope as such court may deem just and proper for the reasonable protection of the Company's legitimate business interests and may be enforced by the Company to that extent in the manner described above and all other provisions of this Appendix A shall be valid and enforceable.

Section IX. Governing Law; Forum.

This Appendix A, the rights and obligations of the parties hereto, and any claims or disputes relating to this Appendix A or your employment with the Company shall be governed by and construed in accordance with the laws of the State of Georgia, not including the choice-of-law rules thereof. The parties agree to litigate any dispute arising under or related to this Appendix A or your employment with the Company exclusively in the state or federal courts located in Fulton County, Georgia, and waive any objection to the personal jurisdiction or venue of such courts. To the maximum extent allowed by law, the parties waive any right to a trial by jury and affirmatively state they want any dispute between them tried to a court without a jury. Notwithstanding anything to the contrary in this Section, the Company may initiate an action in any court or forum as necessary or desirable, as determined in the Company's sole discretion, to prevent any breach or threatened breach of this Appendix A by you.

Section X. Nature of Employment.

You understand and agree that nothing in this Appendix A is intended to or shall be interpreted as creating employment for a specified period of time. You further understand and agree that, unless you have a separate, written employment contract with the Company, your employment with the Company shall be employment-at-will which can be terminated at any time, without prior notice or cause, by either you or the Company. No act, statement or conduct, of any nature whatsoever, of any representative of the Company shall alter the nature of your employment unless it is in writing and signed by the Chief Executive Officer of the Company or his or her designee.

Section XI. Amendment; Waiver; Assignment.

No amendment, modification or discharge of these Covenants shall be valid or binding unless set forth in writing and duly executed by each of the parties hereto. Any waiver by any party or consent by any party to any breach of or any variation from any provision of this Appendix A shall be valid only if in writing and only in the specific instance in which it is given, and such waiver or consent shall not be construed as a waiver of any subsequent breach of any other provision or as a consent with respect to any similar instance or circumstance. This Appendix A may be assigned by the Company to any parent company, subsidiary, corporate affiliate, or successor to all or any part of the Company's business, without your consent. This Appendix A may not be assigned by you.

Section XII. No Inconsistent Obligations

You are not aware of any obligations, legal or otherwise, inconsistent with the terms of this Appendix A or with your undertaking employment with the Company. You will not disclose to the Company, or use on the Company's behalf, any protected confidential information or trade secrets belonging to others. You represent and warrant that you have returned all property and protected confidential information belonging to all prior employers.

Section XIII. U.S. Defend Trade Secrets Act

You are hereby notified, in accordance with the Defend Trade Secrets Act of 2016, that you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. You represent and warrant you have been notified by this Appendix A that if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the Company's trade secrets to your attorney and use the trade secret information in the court proceeding if you: (x) files any document containing the trade secret under seal; and (y) does not disclose the trade secret, except pursuant to court order.

Section XIV. Attorneys' Fees and Litigation Expenses

In the event that you and the Company become involved in legal action regarding the enforcement of this Appendix A and the Company is awarded any relief by the court in such legal action, you shall reimburse the Company for all reasonable attorneys' fees, expenses, and costs incurred by the Company in connection with such suit.

Name: ###PARTICIPANT_NAME###
Grant Name: #### PRSU-EBITDA \$__ 2021 LTIP
Grant Date: ###GRANT_DATE###
Target Number of Shares: ###TARGET_AWARD###

**PERFORMANCE CONTINGENT RESTRICTED STOCK UNIT
AWARD AGREEMENT**

Pursuant to the terms and conditions of the Haverty Furniture Companies, Inc. 2021 Long-Term Incentive Plan (the "Plan") and to the terms and conditions set forth on the following pages (the "Terms and Conditions"), you were granted performance-contingent restricted stock units in the target number of units indicated above (the "Units"). The Units are convertible, on a one-for-one basis, into shares of common stock upon vesting. The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan, except as otherwise expressly provided herein.

The Units will be earned in whole, in part, or not at all, in accordance with the terms and conditions of this Award Agreement.

You agree as a condition of accepting the Units that:

1. You acknowledge receipt of this award made on the date shown above, which has been issued and is subject to all the terms and conditions of the Plan and the Terms and Conditions set forth in this Award Agreement.
 2. You further acknowledge receipt of a copy of the Plan Prospectus and agree to conform to all of the terms and conditions of the Plan and the Terms and Conditions set forth in this Award Agreement.
 3. You acknowledge receipt of, and to have read, the Havertys Insider Trading Policy. Further, you acknowledge you understand and agree to comply with the procedures and requirements outlined in this policy.
-

TERMS AND CONDITIONS

1. Vesting.

(1) The Units have been credited to a bookkeeping account on your behalf. The Units will be earned in whole, in part, or not at all, based on your continued employment with the Company through the Vesting Date and the Company's level of achievement of the Performance Goal, as determined in accordance with the following performance matrix:

(2)

Performance Level	% Target EBITDA	EBITDA (\$ in millions)	% Target Shares Earned ⁽¹⁾
Outstanding	125 %	\$ XXX	175 %
	120 %	\$ XXX	160 %
	115 %	\$ XXX	145 %
	110 %	\$ XXX	130 %
	105 %	\$ XXX	115 %
Target	100 %	\$ XXX	100 %
	95 %	\$ XXX	90 %
	90 %	\$ XXX	80 %
	85 %	\$ XXX	70 %
Threshold	70 %	\$ XXX	40 %
Below Threshold	<70 %	<\$ XXX	0 %

(1) Payouts between performance levels will be determined based on straight line interpolation.

(3) For purposes of this Award Agreement, the following terms will have the following meanings:

"Certification Date" means the date that the Nominating, Compensation and Governance Committee of the Board (the *"Committee"*) certifies the level of achievement of the Performance Goal following the conclusion of the Performance Period.

"EBITDA" means the sum of income before income taxes, interest expense and depreciation and amortization as reported in the Company's financial statements and footnotes included in its annual Form 10-K, adjusted to eliminate the effects of asset impairments, restructurings, acquisitions, divestitures, store closing costs, and the cumulative effect of accounting changes, as determined in accordance with generally accepted accounting principles, as applicable, and any other unusual or non-recurring items.

"Performance Goal" means EBITDA.

"Performance Period" means January 1, 202X to December 31, 202X [year of Grant].

"Vesting Date" means February 28, 202X [3 years from year of Grant], subject to your continued employment on such date.

- (4) Notwithstanding anything in this Award Agreement to the contrary, the actual number of Units that can become vested based on achieving the level of EBITDA during the Performance Period may be reduced by the Committee in its sole and absolute discretion based on such factors as the Committee determines to be appropriate and/or advisable, provided, however, that it is the intention of the Committee that it will deviate from such EBITDA only in unusual circumstances.

2. Termination of Employment.

- (1) If you have a Termination of Employment prior to the Vesting Date for any reason other than as described in (b) or (c) below or other than as described in Section 3(a) hereof, then you will forfeit all right, title and interest in and to the then unvested Units as of the date of such Termination of Employment and the unvested Units will be reconveyed to the Company without further consideration or any act or action by you.
- (2) If you have a Termination of Employment by reason of your Retirement, (i) prior to the end of the Performance Period and you comply with the restrictive covenants included in **Appendix A** attached hereto (the "Restrictive Covenants"), then the Units will be eligible to vest on the Certification Date in accordance with Section 1 hereof and the number of Units vesting, if any, will be prorated from the first day of the Performance Period through the date of such Termination of Employment based on the number of completed months of service during the Performance Period divided by 12; or (ii) after the Performance Period and you comply with the Restrictive Covenants, the Units will be eligible to vest on the Vesting Date in accordance with Section 1 hereof. If, in the sole discretion of the Committee, you violate any provision(s) of the Restrictive Covenants during the period following your Retirement, then you will forfeit all of your right, title and interest in and to such Units as of the date of such violation, and such Units will be reconveyed to the Company without further consideration or any act or action by you. For purposes of this Award Agreement, "*Retirement*" means your voluntary retirement from the Company, on or after age 65, upon written notice from you to the Company that you are permanently retiring from the Company and the retail furniture industry.
- (3) In the event of your death or Disability, (i) prior to the end of the Performance Period, the Units will be eligible to vest on the Certification Date in accordance with Section 1 hereof, and the number of Units vesting, if any, will be prorated from the first day of the Performance Period through the date of such death or Disability based on the number of completed months of service during the Performance Period divided by 12; or (ii) after the Performance Period, the Units will be eligible to vest on the later of your death or Disability or the Certification Date in accordance with Section 1 hereof.

3. Change in Control.

- (1) If you are employed by the Company on the date of a Change in Control and the Units are assumed by the surviving entity in such Change in Control or otherwise equitably converted or substituted in connection with such Change in Control, then, if within two years after the effective date of the Change in Control, you have a Termination of Employment without Cause, the Units will vest as of the date of Termination of Employment based upon (i) an assumed achievement of the Performance Goal at the target level if the date of Termination of Employment

occurs during the first half of the Performance Period, or (ii) the actual level of achievement of the Performance Goal against target (measured as of the end of the calendar quarter immediately preceding the date of Termination of Employment), if the date of Termination of Employment occurs during the second half of the Performance Period, and, in either such case, the number of Units vesting, if any, will be prorated based upon the length of time within the Performance Period that has elapsed prior to the date of Termination of Employment.

- (2) If you are employed by the Company on the date of a Change in Control and the Units are not assumed by the Surviving Entity or otherwise equitably converted or substituted in connection with such Change in Control in a manner approved by the Committee or the Board, then, as of the effective date of the Change in Control, the Units will vest based upon (i) an assumed achievement of the Performance Goal at the target level if the Change in Control occurs during the first half of the Performance Period, or (ii) the actual level of achievement of the Performance Goal against target measured as of the date of the Change in Control, if the Change in Control occurs during the second half of the Performance Period, and, in either such case, the number of Units vesting, if any, will be prorated based upon the length of time within the Performance Period that has elapsed prior to the Change in Control.
4. Conversion to Shares. The Units that vest (i) upon the Vesting Date, or (ii) in the case of a Change in Control, the Units that vest on the date of your Termination of Employment in accordance with Section 3(a) or the effective date of a Change in Control in accordance with Section 3(b) (each, a "CIC-Related Vesting Date") will be converted to Shares on the Vesting Date or the CIC-Related Vesting Date, as applicable. The Shares will be registered in your name as of the Vesting Date or the CIC-Related Vesting Date, as applicable, and certificates for the Shares (or, at the option of the Company, statements of book entry notation of the Shares in your name in lieu thereof) will be delivered to you or your designee upon your request as soon as practicable after the Vesting Date or the CIC-Related Vesting Date, as applicable, but no later than sixty (60) days following the Vesting Date or the CIC-Related Vesting Date, as applicable.
5. Dividend Equivalent Rights; Voting Rights. The Units are not entitled to any dividends or dividend equivalent rights. You will not have voting rights with respect to the Units. Upon conversion of the Units into Shares, you will obtain full voting rights and other rights as a shareholder of the Company.
6. No Right of Continued Service. Nothing in this Award Agreement will interfere with or limit in any way the right of the Company to terminate your service at any time, nor confer upon you any right to continue to provide services to the Company.
7. Restrictions on Transfer and Pledge. The Units may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution.
8. Restrictions on Issuance of Shares. If at any time the Committee determines, in its discretion, that registration, listing or qualification of the Shares underlying the Units upon any securities exchange or under any foreign, federal, or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to the settlement of the Units, the Units will not be converted to Shares in whole or in part unless and until such registration, listing, qualification, consent or

approval will have been effected or obtained free of any conditions not acceptable to the Committee.

9. Payment of Taxes. The Company has the authority and the right to deduct or withhold, or require you to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including your FICA obligation) required by law to be withheld with respect to any taxable event arising in connection with the Units. The withholding requirement will be satisfied by withholding from the settlement of the Units Shares having a Fair Market Value on the date of withholding equal to the amount required to be withheld in accordance with applicable tax requirements.
10. Plan Controls. The terms contained in the Plan are incorporated into and made a part of this Award Agreement, and this Award Agreement will be governed by and construed in accordance with the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Award Agreement, the provisions of the Plan will be controlling and determinative.
11. Successors. This Award Agreement will be binding upon any successor of the Company, in accordance with the terms of this Award Agreement and the Plan.
12. Severability. If any provision or portion of this Award Agreement will be or become illegal, invalid or unenforceable in whole or in part for any reason, such provision will be ineffective only to the extent of such illegality, invalidity or unenforceability without invalidating the remainder of such provision or the remaining provisions of this Award Agreement. Upon such determination that any term or other provision is illegal, invalid, or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Award Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the agreements contemplated hereby are fulfilled to the extent possible.
13. Interpretation. The headings contained in this Award Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Award Agreement. The language in all parts of this Award Agreement will in all cases be construed according to its fair meaning, and not strictly for or against any party hereto. In this Award Agreement, unless the context otherwise requires, the masculine, feminine and neuter genders and the singular and the plural include one another.
14. Notice. Notices hereunder must be in writing, delivered personally or sent by registered or certified U.S. mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to 780 Johnson Ferry Road, Suite 800, Atlanta, Georgia 30342; Attn: Corporate Secretary, or any other address designated by the Company in a written notice to you. Notices to you will be directed to your address then currently on file with the Company, or at any other address given by you in a written notice to the Company.
15. Compensation Recoupment Policy. The Units will be subject to any compensation recoupment policy of the Company that is applicable by its terms to you and to awards of this type.
16. Applicable Law. This Award Agreement will be governed by and construed and interpreted in accordance with the laws of the State of Georgia without giving effect to its conflicts of law principles.

Appendix A

As a condition of your receipt of this award of Units, you agree to the covenants contained in this **Appendix A**. You acknowledge and agree that as a result of your employment with the Company, your knowledge of and access to Confidential Information (as defined below), and your relationships with the Company's customers and employees, you would have an unfair competitive advantage if you were to engage in activities in violation of the Covenants.

Section I. Definitions.

In addition to the defined terms contained within the body of these Covenants, the following terms shall have the following meanings:

1.1 "**Confidential Information**" means any data or information relating to the Company and its direct and indirect subsidiaries and corporate affiliates and their respective activities, business, customers, or suppliers that is (i) disclosed to you during your employment with the Company or of which you become aware as a consequence of your employment with the Company; (ii) valuable, important, or proprietary to the Company; and (iii) not generally known to the public or to competitors of the Company. Confidential Information includes, but is not limited to, all information that is marked "confidential" or "proprietary," trade secrets (as defined by applicable law), all information to which access is restricted, and all other information kept confidential, including information pertaining to costs, profits, markets, sales, products, product lines, key personnel, pricing policies, operational methods, customers, customer requirements, suppliers, plans for future developments, computer software (whether in source or object code), and other business affairs and methods and other information not readily available to the public. "Confidential Information" also includes combinations of information or materials which individually may be generally known outside of the Company, but for which the nature, method, or procedure for combining such information or materials is not generally known outside of the Company. In addition to data and information relating to the Company, "Confidential Information" also includes any and all data and information relating to or concerning a third party that otherwise meets the definition set forth above, that was provided or made available to the Company by such third party, and that the Company has a duty or obligation to keep confidential.

1.2 "**Prohibited Competitor**" means any one of the following companies or any parent or subsidiary thereof: Rooms to Go, Ashley Furniture Industries, Inc., Ethan Allan Interiors Inc., City Furniture, American Signature Furniture, Living Spaces, Nebraska Furniture Mart, or Bassett Furniture Industries, Inc.

1.3 "**Restricted Activities**" means the provision of sales, marketing, merchandising, buying, financial accounting, business planning, and/or management services similar to those provided by you to the Company.

1.4 "**Restricted Businesses**" means the business of selling furniture, home decorations, and home furnishing to consumers and business, as well as any other business conducted by the Company during the last two years of your employment with the Company.

1.5 "**Restricted Period**" means during the period of your employment with the Company and during the three (3) years after the date your employment with the Company ends by reasons of Retirement.

1.6 "**Territory**" means the following States within the United States of America and any other geographic area in which the Company operates or for which you are responsible at

the time of the termination of your employment: Alabama, Arkansas, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Maryland, Missouri, North Carolina, Ohio, South Carolina, Tennessee, Texas, and Virginia.

Section II. Confidential Information.

2.1 Confidential Information. You shall hold in confidence all Confidential Information and shall not disclose, publish or make use of any Confidential Information at any time without the prior written consent of the Company for as long as the information remains confidential.

2.2 Return of Materials. Upon the request of the Company and, in any event, upon the termination of your employment with the Company for any reason, you shall deliver to the Company, and not retain any copies of, all memoranda, notes, records, manuals or other documents (including, but not limited to, written instruments, electronically stored information, voice or data recordings, or computer tapes, disks or files of any nature), including all copies of such materials and all documentation prepared or produced in connection therewith, pertaining to the performance of your services for the Company, the business of the Company or its direct and indirect subsidiaries or corporate affiliates, or containing Confidential Information, whether made or compiled by you or furnished to you by virtue of your employment with the Company. You shall also deliver to the Company all computers, credit cards, telephones, office equipment, software, and other property the Company furnished to you by virtue of your employment with the Company. To the extent that you have electronic files or information in your possession or control that belong to the Company or contain Confidential Information (specifically including but not limited to electronic files or information stored on personal computers, mobile devices, electronic media, or in cloud storage), on or prior to your termination date, or at any other time the Company requests, you shall (i) provide the Company with an electronic copy of all of such files or information (in an electronic format that readily accessible by the Company); (ii) after doing so, delete all such files and information, including all copies and derivatives thereof, from all non-Company-owned computers, mobile devices, electronic media, cloud storage, and other media, devices, and equipment, such that such files and information are permanently deleted and irretrievable; and (iii) provide a written certification to the Company that the required deletions have been completed and specifying the files and information deleted and the media source from which they were deleted.

2.3 Interpretation. The restrictions stated in Sections 2.1 and 2.2 are in addition to, and not in lieu of, protections afforded to trade secrets, confidential information, electronically stored information, and Company property under applicable state and federal laws. Nothing in these Covenants is intended to or shall be interpreted as diminishing or otherwise limiting the Company's right under applicable law to protect its property and information. During your employment with the Company, you are authorized to use Confidential Information for the Company's sole benefit and in connection with your job duties without obtaining the Company's prior written approval.

2.4 Exceptions. Anything herein to the contrary notwithstanding, you shall not be restricted from: (i) disclosing information that is required to be disclosed by law, court order or other valid and appropriate legal process; *provided, however*, that in the event such disclosure is required by law, you shall provide the Company with prompt notice of such requirement so that the Company may seek an appropriate protective order prior to any such required disclosure by you; or (ii) reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, or from making other disclosures that are protected under the whistleblower provisions of federal, state, or local law or regulation, and you shall not need the prior authorization of the Company to make any such reports or disclosures and shall not be required to notify the Company that you have made such reports or disclosures.

Section III. Nonsolicitation; Noninterference.

3.1 Nonsolicitation of Customers and Suppliers. You hereby covenant and agree that you will not, during the Restricted Period, without the prior written consent of the Company, directly or indirectly, for yourself or for or on behalf of any other person or entity, solicit any business related to the Restricted Businesses from any of the Company's customers or suppliers, including actively sought prospective customers and suppliers, with whom you had Material Contact during your employment with the Company, except to the extent such solicitation is exclusively for the Company's benefit.

3.2 Nonsolicitation of Employees and Contractors. You hereby covenant and agree that you will not, during the Restricted Period, without the prior written consent of the Company, directly or indirectly, for yourself or for or on behalf of any other person or entity, recruit, solicit, or induce attempt to recruit, solicit, or induce any employee or independent contractor of the Company to terminate his/her employment or other relationship with the Company or to enter into employment or any other kind of business relationship with you or any other person or entity (whether or not such person would commit a breach of contract in so doing).

3.3 Noninterference with Relationships. You hereby covenant and agree that you will not, during the Restricted Period, without the prior written consent of the Company, directly or indirectly, for yourself or for or on behalf of any other person or entity, (i) solicit, induce, persuade, or attempt to solicit, induce, or persuade any vendor or supplier of the Company to cancel or adversely alter such vendor's or supplier's business relationship with the Company, or (ii) interfere or attempt to interfere with any of the Company's business relationships with its vendors or suppliers.

3.4 Non-disparagement. You hereby covenant and agree that you will not, during the Restricted Period, disparage, denigrate, or criticize the Company, its products and services, or its officers, directors, shareholders, or employees, including but not limited to television media, print media, social media, any other forms of media or via the Internet; provided, however, that this section shall not in any way limit any of your rights that are expressly reserved in Section 2.4 above or Section XIII below, or in any way limit your ability to provide truthful testimony or information in response to a subpoena, court order, or valid request by a government agency, or as otherwise required by law.

Section IV. Non-competition.

You hereby covenant that you will not, during the Restricted Period, without the prior written consent of the Company, directly or indirectly, for yourself or for or on behalf of any other person or entity, (i) engage in any Restricted Activities on behalf of or for the benefit of any Prohibited Competitor; or within the Territory, (ii) engage in any portion of the Restricted Business or provide any Restricted Activities to or for the benefit of any other person or entity which is engaged in any portion of the Restricted Business.

Section V. Ownership of Employee Developments.

5.1 Ownership of Work Product.

(a) You agree to promptly report and disclose to the Company all developments, discoveries, methods, processes, designs, inventions, ideas, or improvements, conceived, made, implemented, or reduced to practice by you, whether alone or acting with others, during your period of employment by the Company, that is developed (a) on the Company's time, or (b) while utilizing, directly or indirectly, the Company's equipment, supplies, facilities, or Confidential Information (hereinafter collective called "Work Product"). You acknowledge and agree that all Work Product is the sole and exclusive property of the Company. You hereby assign, agree to assign, and automatically assign, without further consideration, to the Company any and all rights, title, and interest in and to all Work Product; *provided, however*, that this Section shall not apply to any Work Product for which no equipment, supplies, facilities, or Confidential Information of the Company was used and which was developed entirely on your own time, unless the Work Product (i) relates directly to the Company's business or its actual or demonstrably anticipated research or development, or (ii) results from any work performed by you for the Company.

(b) The Company, its successors and assigns, shall have the right to obtain and hold in its or their own name copyright registrations, trademark registrations, patents and any other protection available to the Work Product.

5.2 Cooperation. You agree to perform, upon the reasonable request of the Company, during or after employment, such further acts as may be necessary or desirable to transfer, perfect, and defend the Company's ownership of the Work Product, including but not limited to: (1) executing, acknowledging, and delivering any requested affidavits and documents of assignment and conveyance; (2) assisting in the preparation, prosecution, procurement, maintenance and enforcement of all copyrights and/or patents with respect to the Work Product in any countries; (3) providing testimony in connection with any proceeding affecting the right, title, or interest of the Company in any Work Product; and (4) performing any other acts deemed necessary or desirable to carry out the purposes of these Covenants. The Company shall reimburse all reasonable out-of-pocket expenses incurred by you at the Company's request in connection with the foregoing.

Section VI. Reasonable and Necessary Restrictions.

6.1 You acknowledge that during the course of your employment with the Company, you have received or will receive and have had or will have access to Confidential Information, including but not limited to confidential and secret software and hardware design and development plans and strategies; computer software; business and marketing plans, strategies, and studies; and detailed client/customer lists and information relating to the operations and business requirements of those client/customers and, accordingly, you are willing to enter into this Appendix A in order to provide the Company with what you consider to be reasonable protections for its interests.

6.2 You acknowledge that the restrictions, prohibitions and other provisions in this Appendix A are reasonable, fair and equitable in scope, terms and duration, are necessary to protect the legitimate business interests of the Company, and are a material inducement to the Company to employ or continue to employ you, and to grant you the Units.

Section VII. Remedies.

In the event of any breach or threatened breach of the Covenants by you, you acknowledge and agree that the Company would be irreparably harmed thereby and that any remedies at law would be inadequate. Accordingly, you agree that in such event, the Company shall be entitled to immediate injunctive or other equitable relief to restrain or enjoin any such breach or threatened breach in addition to all other damages, remedies, and relief to which the Company may be entitled. The parties expressly waive any requirement for a bond to be posted in conjunction with a request for a temporary, preliminary or permanent injunction.

Section VIII. Severability; Modification.

You and the Company agree that it is their intention that the covenants in this Appendix A be enforced in accordance with their terms to the maximum extent permitted by law. Each of the covenants in this Appendix A shall be considered and construed as a separate and independent covenant. Should any part or provision of any of the covenants in this Appendix A be held invalid, void, or unenforceable, such invalidity, voidness, or unenforceability shall not render invalid, void, or unenforceable any other part or provision of this Appendix A or such covenant. If any of the provisions of the covenants in this Appendix A should ever be held by a court of competent jurisdiction to exceed the scope permitted by the applicable law, such provision or provisions shall be automatically modified to such lesser scope as such court may deem just and proper for the reasonable protection of the Company's legitimate business interests and may be enforced by the Company to that extent in the manner described above and all other provisions of this Appendix A shall be valid and enforceable.

Section IX. Governing Law; Forum.

This Appendix A, the rights and obligations of the parties hereto, and any claims or disputes relating to this Appendix A or your employment with the Company shall be governed by and construed in accordance with the laws of the State of Georgia, not including the choice-of-law rules thereof. The parties agree to litigate any dispute arising under or related to this Appendix A or your employment with the Company exclusively in the state or federal courts located in Fulton County, Georgia, and waive any objection to the personal jurisdiction or venue of such courts. To the maximum extent allowed by law, the parties waive any right to a trial by jury and affirmatively state they want any dispute between them tried to a court without a jury. Notwithstanding anything to the contrary in this Section, the Company may initiate an action in any court or forum as necessary or desirable, as determined in the Company's sole discretion, to prevent any breach or threatened breach of this Appendix A by you.

Section X. Nature of Employment.

You understand and agree that nothing in this Appendix A is intended to or shall be interpreted as creating employment for a specified period of time. You further understand and agree that, unless you have a separate, written employment contract with the Company, your employment with the Company shall be employment-at-will which can be terminated at any time, without prior notice or cause, by either you or the Company. No act, statement or conduct, of any nature whatsoever, of any representative of the Company shall alter the nature of your employment unless it is in writing and signed by the Chief Executive Officer of the Company or his or her designee.

Section XI. Amendment; Waiver; Assignment.

No amendment, modification or discharge of these Covenants shall be valid or binding unless set forth in writing and duly executed by each of the parties hereto. Any waiver by any party or consent by any party to any breach of or any variation from any provision of this Appendix A shall be valid only if in writing and only in the specific instance in which it is given, and such waiver or consent shall not be construed as a waiver of any subsequent breach of any other provision or as a consent with respect to any similar instance or circumstance. This Appendix A may be assigned by the Company to any parent company, subsidiary, corporate affiliate, or successor to all or any part of the Company's business, without your consent. This Appendix A may not be assigned by you.

Section XII. No Inconsistent Obligations

You are not aware of any obligations, legal or otherwise, inconsistent with the terms of this Appendix A or with your undertaking employment with the Company. You will not disclose to the Company, or use on the Company's behalf, any protected confidential information or trade secrets belonging to others. You represent and warrant that you have returned all property and protected confidential information belonging to all prior employers.

Section XIII. U.S. Defend Trade Secrets Act

You are hereby notified, in accordance with the Defend Trade Secrets Act of 2016, that you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. You represent and warrant you have been notified by this Appendix A that if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the Company's trade secrets to your attorney and use the trade secret information in the court proceeding if you: (x) files any document containing the trade secret under seal; and (y) does not disclose the trade secret, except pursuant to court order.

Section XIV. Attorneys' Fees and Litigation Expenses

In the event that you and the Company become involved in legal action regarding the enforcement of this Appendix A and the Company is awarded any relief by the court in such legal action, you shall reimburse the Company for all reasonable attorneys' fees, expenses, and costs incurred by the Company in connection with such suit.

Name: ###PARTICIPANT_NAME###
Grant Name: ## PRSU-Sales \$__ 2021 LTIP
Grant Date: ###GRANT_DATE###
Target Number of Shares: ###TARGET_AWARD###

**PERFORMANCE CONTINGENT RESTRICTED STOCK UNIT
AWARD AGREEMENT**

Pursuant to the terms and conditions of the Haverty Furniture Companies, Inc. 2021 Long-Term Incentive Plan (the "Plan") and to the terms and conditions set forth on the following pages (the "Terms and Conditions"), you were granted performance-contingent restricted stock units in the target number of units indicated above (the "Units"). The Units are convertible, on a one-for-one basis, into shares of common stock upon vesting. The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan, except as otherwise expressly provided herein.

The Units will be earned in whole, in part, or not at all, in accordance with the terms and conditions of this Award Agreement.

You agree as a condition of accepting the Units that:

1. You acknowledge receipt of this award made on the date shown above, which has been issued and is subject to all the terms and conditions of the Plan and the Terms and Conditions set forth in this Award Agreement.
 2. You further acknowledge receipt of a copy of the Plan Prospectus and agree to conform to all of the terms and conditions of the Plan and the Terms and Conditions set forth in this Award Agreement.
 3. You acknowledge receipt of, and to have read, the Havertys Insider Trading Policy. Further, you acknowledge you understand and agree to comply with the procedures and requirements outlined in this policy.
-

TERMS AND CONDITIONS

1. Vesting.

(a) The Units have been credited to a bookkeeping account on your behalf. The Units will be earned in whole, in part, or not at all, based on your continued employment with the Company through the Vesting Date and the Company's level of achievement of the Performance Goal, as determined in accordance with the following performance matrix:

(b)

Performance Level	% Target	Consolidated Sales (\$ in thousands)	% Target Shares Earned ⁽¹⁾
Outstanding	110 %	\$ XXX	125 %
	108 %	\$ XXX	120 %
	106 %	\$ XXX	115 %
	104 %	\$ XXX	110 %
	102 %	\$ XXX	105 %
Target	100 %	\$ XXX	100 %
	98 %	\$ XXX	92 %
	95 %	\$ XXX	80 %
	90 %	\$ XXX	60 %
Threshold	85 %	\$ XXX	40 %
Below Threshold	<85 %	<\$ XXX	0 %

(1) Payouts between performance levels will be determined based on straight line interpolation.

(c) For purposes of this Award Agreement, the following terms will have the following meanings:

“*Certification Date*” means the date that the Nominating, Compensation and Governance Committee of the Board (the “*Committee*”) certifies the level of achievement of the Performance Goal following the conclusion of the Performance Period.

“*Consolidated Sales*” is defined as that amount reported in the Company's annual Form 10-K.

“*Performance Goal*” means Consolidated Sales.

“*Performance Period*” means January 1, 202X to December 31, 202X [year of Grant].

“*Vesting Date*” means February 28, 202X [3 years from year of Grant], subject to your continued employment on such date.

(d) Notwithstanding anything in this Award Agreement to the contrary, the actual number of Units that can become vested based on achieving the level of Consolidated Sales during the Performance Period may be reduced by the Committee in its sole and absolute discretion based on such factors as the Committee determines to be appropriate and/or advisable, provided, however,

that it is the intention of the Committee that it will deviate from such Consolidated Sales only in unusual circumstances.

2. Termination of Employment.

- (a) If you have a Termination of Employment prior to the Vesting Date for any reason other than as described in (b) or (c) below or other than as described in Section 3(a) hereof, then you will forfeit all right, title and interest in and to the then unvested Units as of the date of such Termination of Employment and the unvested Units will be reconveyed to the Company without further consideration or any act or action by you.
- (b) If you have a Termination of Employment by reason of your Retirement, (i) prior to the end of the Performance Period and you comply with the restrictive covenants included in **Appendix A** attached hereto (the "Restrictive Covenants"), then the Units will be eligible to vest on the Certification Date in accordance with Section 1 hereof and the number of Units vesting, if any, will be prorated from the first day of the Performance Period through the date of such Termination of Employment based on the number of completed months of service during the Performance Period divided by 12; or (ii) after the Performance Period and you comply with the Restrictive Covenants, the Units will be eligible to vest on the Vesting Date in accordance with Section 1 hereof. If, in the sole discretion of the Committee, you violate any provision(s) of the Restrictive Covenants during the period following your Retirement, then you will forfeit all of your right, title and interest in and to such Units as of the date of such violation, and such Units will be reconveyed to the Company without further consideration or any act or action by you. For purposes of this Award Agreement, "*Retirement*" means your voluntary retirement from the Company, on or after age 65, upon written notice from you to the Company that you are permanently retiring from the Company and the retail furniture industry.
- (c) In the event of your death or Disability, (i) prior to the end of the Performance Period, the Units will be eligible to vest on the Certification Date in accordance with Section 1 hereof, and the number of Units vesting, if any, will be prorated from the first day of the Performance Period through the date of such death or Disability based on the number of completed months of service during the Performance Period divided by 12; or (ii) after the Performance Period, the Units will be eligible to vest on the later of your death or Disability or the Certification Date in accordance with Section 1 hereof.

3. Change in Control.

- (a) If you are employed by the Company on the date of a Change in Control and the Units are assumed by the surviving entity in such Change in Control or otherwise equitably converted or substituted in connection with such Change in Control, then, if within two years after the effective date of the Change in Control, you have a Termination of Employment without Cause, the Units will vest as of the date of Termination of Employment based upon (i) an assumed achievement of the Performance Goal at the target level if the date of Termination of Employment occurs during the first half of the Performance Period, or (ii) the actual level of achievement of the Performance Goal against target (measured as of the end of the calendar quarter immediately preceding the date of Termination of Employment), if the date of Termination of Employment occurs during the second

half of the Performance Period, and, in either such case, the number of Units vesting, if any, will be prorated based upon the length of time within the Performance Period that has elapsed prior to the date of Termination of Employment.

- (b) If you are employed by the Company on the date of a Change in Control and the Units are not assumed by the Surviving Entity or otherwise equitably converted or substituted in connection with such Change in Control in a manner approved by the Committee or the Board, then, as of the effective date of the Change in Control, the Units will vest based upon (i) an assumed achievement of the Performance Goal at the target level if the Change in Control occurs during the first half of the Performance Period, or (ii) the actual level of achievement of the Performance Goal against target measured as of the date of the Change in Control, if the Change in Control occurs during the second half of the Performance Period, and, in either such case, the number of Units vesting, if any, will be prorated based upon the length of time within the Performance Period that has elapsed prior to the Change in Control.
4. Conversion to Shares. The Units that vest (i) upon the Vesting Date, or (ii) in the case of a Change in Control, the Units that vest on the date of your Termination of Employment in accordance with Section 3(a) or the effective date of a Change in Control in accordance with Section 3(b) (each, a "CIC-Related Vesting Date") will be converted to Shares on the Vesting Date or the CIC-Related Vesting Date, as applicable. The Shares will be registered in your name as of the Vesting Date or the CIC-Related Vesting Date, as applicable, and certificates for the Shares (or, at the option of the Company, statements of book entry notation of the Shares in your name in lieu thereof) will be delivered to you or your designee upon your request as soon as practicable after the Vesting Date or the CIC-Related Vesting Date, as applicable, but no later than sixty (60) days following the Vesting Date or the CIC-Related Vesting Date, as applicable.
5. Dividend Equivalent Rights; Voting Rights. The Units are not entitled to any dividends or dividend equivalent rights. You will not have voting rights with respect to the Units. Upon conversion of the Units into Shares, you will obtain full voting rights and other rights as a shareholder of the Company.
6. No Right of Continued Service. Nothing in this Award Agreement will interfere with or limit in any way the right of the Company to terminate your service at any time, nor confer upon you any right to continue to provide services to the Company.
7. Restrictions on Transfer and Pledge. The Units may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution.
8. Restrictions on Issuance of Shares. If at any time the Committee determines, in its discretion, that registration, listing or qualification of the Shares underlying the Units upon any securities exchange or under any foreign, federal, or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to the settlement of the Units, the Units will not be converted to Shares in whole or in part unless and until such registration, listing, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Committee.

9. Payment of Taxes. The Company has the authority and the right to deduct or withhold, or require you to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including your FICA obligation) required by law to be withheld with respect to any taxable event arising in connection with the Units. The withholding requirement will be satisfied by withholding from the settlement of the Units Shares having a Fair Market Value on the date of withholding equal to the amount required to be withheld in accordance with applicable tax requirements.
10. Plan Controls. The terms contained in the Plan are incorporated into and made a part of this Award Agreement, and this Award Agreement will be governed by and construed in accordance with the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Award Agreement, the provisions of the Plan will be controlling and determinative.
11. Successors. This Award Agreement will be binding upon any successor of the Company, in accordance with the terms of this Award Agreement and the Plan.
12. Severability. If any provision or portion of this Award Agreement will be or become illegal, invalid or unenforceable in whole or in part for any reason, such provision will be ineffective only to the extent of such illegality, invalidity or unenforceability without invalidating the remainder of such provision or the remaining provisions of this Award Agreement. Upon such determination that any term or other provision is illegal, invalid, or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Award Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the agreements contemplated hereby are fulfilled to the extent possible.
13. Interpretation. The headings contained in this Award Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Award Agreement. The language in all parts of this Award Agreement will in all cases be construed according to its fair meaning, and not strictly for or against any party hereto. In this Award Agreement, unless the context otherwise requires, the masculine, feminine and neuter genders and the singular and the plural include one another.
14. Notice. Notices hereunder must be in writing, delivered personally or sent by registered or certified U.S. mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to 780 Johnson Ferry Road, Suite 800, Atlanta, Georgia 30342; Attn: Corporate Secretary, or any other address designated by the Company in a written notice to you. Notices to you will be directed to your address then currently on file with the Company, or at any other address given by you in a written notice to the Company.
15. Compensation Recoupment Policy. The Units will be subject to any compensation recoupment policy of the Company that is applicable by its terms to you and to awards of this type.
16. Applicable Law. This Award Agreement will be governed by and construed and interpreted in accordance with the laws of the State of Georgia without giving effect to its conflicts of law principles.

Appendix A

As a condition of your receipt of this award of Units, you agree to the covenants contained in this **Appendix A**. You acknowledge and agree that as a result of your employment with the Company, your knowledge of and access to Confidential Information (as defined below), and your relationships with the Company's customers and employees, you would have an unfair competitive advantage if you were to engage in activities in violation of the Covenants.

Section I. Definitions.

In addition to the defined terms contained within the body of these Covenants, the following terms shall have the following meanings:

1.1 "**Confidential Information**" means any data or information relating to the Company and its direct and indirect subsidiaries and corporate affiliates and their respective activities, business, customers, or suppliers that is (i) disclosed to you during your employment with the Company or of which you become aware as a consequence of your employment with the Company; (ii) valuable, important, or proprietary to the Company; and (iii) not generally known to the public or to competitors of the Company. Confidential Information includes, but is not limited to, all information that is marked "confidential" or "proprietary," trade secrets (as defined by applicable law), all information to which access is restricted, and all other information kept confidential, including information pertaining to costs, profits, markets, sales, products, product lines, key personnel, pricing policies, operational methods, customers, customer requirements, suppliers, plans for future developments, computer software (whether in source or object code), and other business affairs and methods and other information not readily available to the public. "Confidential Information" also includes combinations of information or materials which individually may be generally known outside of the Company, but for which the nature, method, or procedure for combining such information or materials is not generally known outside of the Company. In addition to data and information relating to the Company, "Confidential Information" also includes any and all data and information relating to or concerning a third party that otherwise meets the definition set forth above, that was provided or made available to the Company by such third party, and that the Company has a duty or obligation to keep confidential.

1.2 "**Prohibited Competitor**" means any one of the following companies or any parent or subsidiary thereof: Rooms to Go, Ashley Furniture Industries, Inc., Ethan Allan Interiors Inc., City Furniture, American Signature Furniture, Living Spaces, Nebraska Furniture Mart, or Bassett Furniture Industries, Inc.

1.3 "**Restricted Activities**" means the provision of sales, marketing, merchandising, buying, financial accounting, business planning, and/or management services similar to those provided by you to the Company.

1.4 "**Restricted Businesses**" means the business of selling furniture, home decorations, and home furnishing to consumers and business, as well as any other business conducted by the Company during the last two years of your employment with the Company.

1.5 "**Restricted Period**" means during the period of your employment with the Company and during the three (3) years after the date your employment with the Company ends by reasons of Retirement.

1.6 "**Territory**" means the following States within the United States of America and any other geographic area in which the Company operates or for which you are responsible at

the time of the termination of your employment: Alabama, Arkansas, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Maryland, Missouri, North Carolina, Ohio, South Carolina, Tennessee, Texas, and Virginia.

Section II. Confidential Information.

2.1 Confidential Information. You shall hold in confidence all Confidential Information and shall not disclose, publish or make use of any Confidential Information at any time without the prior written consent of the Company for as long as the information remains confidential.

2.2 Return of Materials. Upon the request of the Company and, in any event, upon the termination of your employment with the Company for any reason, you shall deliver to the Company, and not retain any copies of, all memoranda, notes, records, manuals or other documents (including, but not limited to, written instruments, electronically stored information, voice or data recordings, or computer tapes, disks or files of any nature), including all copies of such materials and all documentation prepared or produced in connection therewith, pertaining to the performance of your services for the Company, the business of the Company or its direct and indirect subsidiaries or corporate affiliates, or containing Confidential Information, whether made or compiled by you or furnished to you by virtue of your employment with the Company. You shall also deliver to the Company all computers, credit cards, telephones, office equipment, software, and other property the Company furnished to you by virtue of your employment with the Company. To the extent that you have electronic files or information in your possession or control that belong to the Company or contain Confidential Information (specifically including but not limited to electronic files or information stored on personal computers, mobile devices, electronic media, or in cloud storage), on or prior to your termination date, or at any other time the Company requests, you shall (i) provide the Company with an electronic copy of all of such files or information (in an electronic format that readily accessible by the Company); (ii) after doing so, delete all such files and information, including all copies and derivatives thereof, from all non-Company-owned computers, mobile devices, electronic media, cloud storage, and other media, devices, and equipment, such that such files and information are permanently deleted and irretrievable; and (iii) provide a written certification to the Company that the required deletions have been completed and specifying the files and information deleted and the media source from which they were deleted.

2.3 Interpretation. The restrictions stated in Sections 2.1 and 2.2 are in addition to, and not in lieu of, protections afforded to trade secrets, confidential information, electronically stored information, and Company property under applicable state and federal laws. Nothing in these Covenants is intended to or shall be interpreted as diminishing or otherwise limiting the Company's right under applicable law to protect its property and information. During your employment with the Company, you are authorized to use Confidential Information for the Company's sole benefit and in connection with your job duties without obtaining the Company's prior written approval.

2.4 Exceptions. Anything herein to the contrary notwithstanding, you shall not be restricted from: (i) disclosing information that is required to be disclosed by law, court order or other valid and appropriate legal process; *provided, however*, that in the event such disclosure is required by law, you shall provide the Company with prompt notice of such requirement so that the Company may seek an appropriate protective order prior to any such required disclosure by you; or (ii) reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, or from making other disclosures that are protected under the whistleblower provisions of federal, state, or local law or regulation, and you shall not need the prior authorization of the Company to make any such reports or disclosures and shall not be required to notify the Company that you have made such reports or disclosures.

Section III. Nonsolicitation; Noninterference.

3.1 Nonsolicitation of Customers and Suppliers. You hereby covenant and agree that you will not, during the Restricted Period, without the prior written consent of the Company, directly or indirectly, for yourself or for or on behalf of any other person or entity, solicit any business related to the Restricted Businesses from any of the Company's customers or suppliers, including actively sought prospective customers and suppliers, with whom you had Material Contact during your employment with the Company, except to the extent such solicitation is exclusively for the Company's benefit.

3.2 Nonsolicitation of Employees and Contractors. You hereby covenant and agree that you will not, during the Restricted Period, without the prior written consent of the Company, directly or indirectly, for yourself or for or on behalf of any other person or entity, recruit, solicit, or induce attempt to recruit, solicit, or induce any employee or independent contractor of the Company to terminate his/her employment or other relationship with the Company or to enter into employment or any other kind of business relationship with you or any other person or entity (whether or not such person would commit a breach of contract in so doing).

3.3 Noninterference with Relationships. You hereby covenant and agree that you will not, during the Restricted Period, without the prior written consent of the Company, directly or indirectly, for yourself or for or on behalf of any other person or entity, (i) solicit, induce, persuade, or attempt to solicit, induce, or persuade any vendor or supplier of the Company to cancel or adversely alter such vendor's or supplier's business relationship with the Company, or (ii) interfere or attempt to interfere with any of the Company's business relationships with its vendors or suppliers.

3.4 Non-disparagement. You hereby covenant and agree that you will not, during the Restricted Period, disparage, denigrate, or criticize the Company, its products and services, or its officers, directors, shareholders, or employees, including but not limited to television media, print media, social media, any other forms of media or via the Internet; provided, however, that this section shall not in any way limit any of your rights that are expressly reserved in Section 2.4 above or Section XIII below, or in any way limit your ability to provide truthful testimony or information in response to a subpoena, court order, or valid request by a government agency, or as otherwise required by law.

Section IV. Non-competition.

You hereby covenant that you will not, during the Restricted Period, without the prior written consent of the Company, directly or indirectly, for yourself or for or on behalf of any other person or entity, (i) engage in any Restricted Activities on behalf of or for the benefit of any Prohibited Competitor; or within the Territory, (ii) engage in any portion of the Restricted Business or provide any Restricted Activities to or for the benefit of any other person or entity which is engaged in any portion of the Restricted Business.

Section V. Ownership of Employee Developments.

5.1 Ownership of Work Product.

(a) You agree to promptly report and disclose to the Company all developments, discoveries, methods, processes, designs, inventions, ideas, or improvements, conceived, made, implemented, or reduced to practice by you, whether alone or acting with others, during your period of employment by the Company, that is developed (a) on the Company's time, or (b) while utilizing, directly or indirectly, the Company's equipment, supplies, facilities, or Confidential Information (hereinafter collective called "Work Product"). You acknowledge and agree that all Work Product is the sole and exclusive property of the Company. You hereby assign, agree to assign, and automatically assign, without further consideration, to the Company any and all rights, title, and interest in and to all Work Product; *provided, however*, that this Section shall not apply to any Work Product for which no equipment, supplies, facilities, or Confidential Information of the Company was used and which was developed entirely on your own time, unless the Work Product (i) relates directly to the Company's business or its actual or demonstrably anticipated research or development, or (ii) results from any work performed by you for the Company.

(b) The Company, its successors and assigns, shall have the right to obtain and hold in its or their own name copyright registrations, trademark registrations, patents and any other protection available to the Work Product.

5.2 Cooperation. You agree to perform, upon the reasonable request of the Company, during or after employment, such further acts as may be necessary or desirable to transfer, perfect, and defend the Company's ownership of the Work Product, including but not limited to: (1) executing, acknowledging, and delivering any requested affidavits and documents of assignment and conveyance; (2) assisting in the preparation, prosecution, procurement, maintenance and enforcement of all copyrights and/or patents with respect to the Work Product in any countries; (3) providing testimony in connection with any proceeding affecting the right, title, or interest of the Company in any Work Product; and (4) performing any other acts deemed necessary or desirable to carry out the purposes of these Covenants. The Company shall reimburse all reasonable out-of-pocket expenses incurred by you at the Company's request in connection with the foregoing.

Section VI. Reasonable and Necessary Restrictions.

6.1 You acknowledge that during the course of your employment with the Company, you have received or will receive and have had or will have access to Confidential Information, including but not limited to confidential and secret software and hardware design and development plans and strategies; computer software; business and marketing plans, strategies, and studies; and detailed client/customer lists and information relating to the operations and business requirements of those client/customers and, accordingly, you are willing to enter into this Appendix A in order to provide the Company with what you consider to be reasonable protections for its interests.

6.2 You acknowledge that the restrictions, prohibitions and other provisions in this Appendix A are reasonable, fair and equitable in scope, terms and duration, are necessary to protect the legitimate business interests of the Company, and are a material inducement to the Company to employ or continue to employ you, and to grant you the Units.

Section VII. Remedies.

In the event of any breach or threatened breach of the Covenants by you, you acknowledge and agree that the Company would be irreparably harmed thereby and that any remedies at law would be inadequate. Accordingly, you agree that in such event, the Company shall be entitled to immediate injunctive or other equitable relief to restrain or enjoin any such breach or threatened breach in addition to all other damages, remedies, and relief to which the Company may be entitled. The parties expressly waive any requirement for a bond to be posted in conjunction with a request for a temporary, preliminary or permanent injunction.

Section VIII. Severability; Modification.

You and the Company agree that it is their intention that the covenants in this Appendix A be enforced in accordance with their terms to the maximum extent permitted by law. Each of the covenants in this Appendix A shall be considered and construed as a separate and independent covenant. Should any part or provision of any of the covenants in this Appendix A be held invalid, void, or unenforceable, such invalidity, voidness, or unenforceability shall not render invalid, void, or unenforceable any other part or provision of this Appendix A or such covenant. If any of the provisions of the covenants in this Appendix A should ever be held by a court of competent jurisdiction to exceed the scope permitted by the applicable law, such provision or provisions shall be automatically modified to such lesser scope as such court may deem just and proper for the reasonable protection of the Company's legitimate business interests and may be enforced by the Company to that extent in the manner described above and all other provisions of this Appendix A shall be valid and enforceable.

Section IX. Governing Law; Forum.

This Appendix A, the rights and obligations of the parties hereto, and any claims or disputes relating to this Appendix A or your employment with the Company shall be governed by and construed in accordance with the laws of the State of Georgia, not including the choice-of-law rules thereof. The parties agree to litigate any dispute arising under or related to this Appendix A or your employment with the Company exclusively in the state or federal courts located in Fulton County, Georgia, and waive any objection to the personal jurisdiction or venue of such courts. To the maximum extent allowed by law, the parties waive any right to a trial by jury and affirmatively state they want any dispute between them tried to a court without a jury. Notwithstanding anything to the contrary in this Section, the Company may initiate an action in any court or forum as necessary or desirable, as determined in the Company's sole discretion, to prevent any breach or threatened breach of this Appendix A by you.

Section X. Nature of Employment.

You understand and agree that nothing in this Appendix A is intended to or shall be interpreted as creating employment for a specified period of time. You further understand and agree that, unless you have a separate, written employment contract with the Company, your employment with the Company shall be employment-at-will which can be terminated at any time, without prior notice or cause, by either you or the Company. No act, statement or conduct, of any nature whatsoever, of any representative of the Company shall alter the nature of your employment unless it is in writing and signed by the Chief Executive Officer of the Company or his or her designee.

Section XI. Amendment; Waiver; Assignment.

No amendment, modification or discharge of these Covenants shall be valid or binding unless set forth in writing and duly executed by each of the parties hereto. Any waiver by any party or consent by any party to any breach of or any variation from any provision of this Appendix A shall be valid only if in writing and only in the specific instance in which it is given, and such waiver or consent shall not be construed as a waiver of any subsequent breach of any other provision or as a consent with respect to any similar instance or circumstance. This Appendix A may be assigned by the Company to any parent company, subsidiary, corporate affiliate, or successor to all or any part of the Company's business, without your consent. This Appendix A may not be assigned by you.

Section XII. No Inconsistent Obligations

You are not aware of any obligations, legal or otherwise, inconsistent with the terms of this Appendix A or with your undertaking employment with the Company. You will not disclose to the Company, or use on the Company's behalf, any protected confidential information or trade secrets belonging to others. You represent and warrant that you have returned all property and protected confidential information belonging to all prior employers.

Section XIII. U.S. Defend Trade Secrets Act

You are hereby notified, in accordance with the Defend Trade Secrets Act of 2016, that you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. You represent and warrant you have been notified by this Appendix A that if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the Company's trade secrets to your attorney and use the trade secret information in the court proceeding if you: (x) files any document containing the trade secret under seal; and (y) does not disclose the trade secret, except pursuant to court order.

Section XIV. Attorneys' Fees and Litigation Expenses

In the event that you and the Company become involved in legal action regarding the enforcement of this Appendix A and the Company is awarded any relief by the court in such legal action, you shall reimburse the Company for all reasonable attorneys' fees, expenses, and costs incurred by the Company in connection with such suit.

SUBSIDIARIES OF THE REGISTRANT

NAME

STATE OF INCORPORATION

Havertys Credit Services, Inc.

Tennessee

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated March 7, 2024, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of Haverty Furniture Companies, Inc. and subsidiary on Form 10-K for the year ended December 31, 2023. We consent to the incorporation by reference of said reports in the Registration Statements of Haverty Furniture Companies, Inc. and subsidiary on Forms S-8 (File No. 333-197969 and 333-258793).

Atlanta, Georgia

March 7, 2024

I, Clarence H. Smith, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2023 of Haverty Furniture Companies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 7, 2024

/s/ Clarence H. Smith

Clarence H. Smith
Chairman of the Board and
Chief Executive Officer

I, Richard B. Hare, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2023 of Haverty Furniture Companies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 7, 2024

/s/ Richard B. Hare

Richard B. Hare
Executive Vice President and
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Haverty Furniture Companies, Inc. (the "Company") on Form 10-K for the year ended December 31, 2023 (the "Report"), I, Clarence H. Smith, Chairman of the Board, President and Chief Executive Officer of the Company, and I, Richard B. Hare, Executive Vice President and Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 7, 2024

/s/ Clarence H. Smith

Clarence H. Smith
Chairman of the Board and
Chief Executive Officer

/s/ Richard B. Hare

Richard B. Hare
Executive Vice President and
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Haverty Furniture Companies, Inc. and will be retained by Haverty Furniture Companies, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

HAVERTY FURNITURE COMPANIES, INC.

Clawback Policy

The Board of Directors (the "Board") of Haverty Furniture Companies, Inc. (the "Company" or "Havertys") is committed to promoting high standards of honest and ethical business conduct and compliance with applicable laws, rules and regulations. As part of this commitment, the Board believes it is in the best interest of the Company to adopt this Clawback Policy (the "Policy"), which provides for the recovery of certain incentive compensation in the event of an Accounting Restatement (as defined below). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the applicable listing standards of The New York Stock Exchange (the "NYSE") and explains when Havertys will be required to seek recovery of Incentive Compensation awarded or paid to a Covered Person.

1. Administration

Except as specifically set forth herein, this Policy shall be administered by the Board or, if so designated by the Board, a special committee comprised of members of the Nominating, Compensation & Governance ("NCG") Committee and Audit Committee (the Board or such committee charged with administration of this Policy, the "Administrator"). The Administrator is authorized to make all determinations necessary for the administration of this Policy.

Any determinations made by the Administrator shall be final and binding on all affected individuals and need not be uniform with respect to each individual covered by the Policy. In the administration of this Policy, the Administrator is authorized and directed to consult with the full Board or such other committees of the Board, as may be necessary as to matters within the scope of such other committee's responsibility and authority. The Administrator may engage outside counsel and compensation experts to assist in making its determinations. Actions of the Administrator pursuant to this Policy will be taken by the vote of a majority of its members. The Administrator will, subject to the provisions of this Policy and Rule 10D-1 of the Exchange Act, and the applicable listing standards of the NYSE, make such determinations and interpretations and take such actions in connection with this Policy as it deems necessary, appropriate, or advisable. Subject to any limitation of applicable law, the Administrator may authorize and empower any officer or employee of the Company to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee).

2. Definitions

As used in this Policy, the following definitions shall apply:

- "Accounting Restatement" means an accounting restatement of any of the Company's financial statements filed with the Securities and Exchange Commission under the Exchange Act, or the Securities Act of 1933, as amended, due to the Company's material noncompliance with any financial reporting requirement under U.S. securities laws, regardless of whether the Company or Covered Person misconduct was the cause for such restatement. "Accounting Restatement" includes any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as "Big R" restatements), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as "little r" restatements).
-

- "Administrator" has the meaning set forth in Section 1 hereof.
- "Applicable Period" means the three completed fiscal years of the Company immediately preceding the earlier of (i) the date the Board, a committee of the Board, or the officer or officers of Havertys authorized to take such action if Board action is not required, concludes (or reasonably should have concluded) that an Accounting Restatement is required or (ii) the date a regulator, court or other legally authorized entity directs Havertys to undertake an Accounting Restatement. The "Applicable Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence.
- "Covered Person" means any person who is, or was at any time, during the Applicable Period, an Executive Officer of Havertys. For the avoidance of doubt, a Covered Person may include a former Executive Officer that left Havertys, retired, or transitioned to an employee role (including after serving as an Executive Officer in an interim capacity) during the Applicable Period, as determined by the Administrator in accordance with the definition of executive officer set forth in Rule 10D-1 and the applicable listing standards of the NYSE.
- "Erroneously Awarded Compensation" has the meaning set forth in Section 5 of this Policy.
- "Executive Officer" means Havertys' chief executive officer, president, principal financial officer, principal accounting officer and any person who performs significant policy-making functions. These individuals are those executive officers identified by the Board and pursuant to 17 CFR 229.401(b) of Regulation S-K of the Securities Act and the officers required to file reports under Section 16 of the Exchange Act.
- A "Financial Reporting Measure" is any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measure. Financial Reporting Measures include but are not limited to the following (and any measures derived from the following): Company stock price; total shareholder return ("TSR"); revenues; net income; operating income; profitability of one or more reportable segments; financial ratios (e.g., accounts receivable turnover and inventory turnover rates); earnings before interest, taxes, depreciation and amortization ("EBITDA"); funds from operations and adjusted funds from operations; liquidity measures (e.g., working capital, operating cash flow); return measures (e.g., return on invested capital, return on assets); earnings measures (e.g., earnings per share); sales per square foot or same store sales, where sales is subject to an Accounting Restatement; revenue per user, or average revenue per user, where revenue is subject to an Accounting Restatement; cost per employee, where cost is subject to an Accounting Restatement; any of such financial reporting measures relative to a peer group, where the Company's financial reporting measure is subject to an Accounting Restatement; and tax basis income. A Financial Reporting Measure need not be presented within the Company's financial statements or included in a filing with the Securities Exchange Commission.
- "Incentive-Based Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-Based Compensation is "received" for purposes of this Policy in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of such Incentive-Based Compensation occurs after the end of that period.

3. Covered Persons; Incentive-Based Compensation

This Policy applies to Incentive-Based Compensation received by a Covered Person (a) after beginning services as a Covered Person; (b) if that person served as a Covered Person at any time

during the performance period for such Incentive-Based Compensation; and (c) while the Company had a listed class of securities on a national securities exchange.

Recovery is not required (1) with respect to any compensation received while an individual was serving in a non-executive capacity prior to becoming a Covered Person or (2) from any individual who is an executive officer on the date on which the Company is required to prepare an Accounting Restatement but who was not an executive officer at any time during the performance period for which the Incentive-Based Compensation is received.

4. Required Recoupment of Erroneously Awarded Compensation in the Event of an Accounting Restatement

In the event Havertys is required to prepare an Accounting Restatement, Havertys shall reasonably promptly recoup the amount of any Erroneously Awarded Compensation received by any Covered Person, as calculated pursuant to Section 5, during the Applicable Period.

5. Erroneously Awarded Compensation: Amount Subject to Recovery

The amount of "Erroneously Awarded Compensation" subject to recovery under the Policy, as determined by the Administrator, is the Incentive-Based Compensation received by the Covered Person that exceeds the amount of Incentive-Based Compensation that would have been received by the Covered Person had it been determined based on the restated amounts.

Erroneously Awarded Compensation shall be computed by the Administrator without regard to any taxes paid by the Covered Person in respect of the Erroneously Awarded Compensation.

For Incentive-Based Compensation based on stock price or TSR (a) the Administrator shall determine the amount of Erroneously Awarded Compensation based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive-Based Compensation was received; and (b) the Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the NYSE.

6. Method of Recoupment

The Administrator shall determine, in its sole discretion, the timing and method for reasonably promptly recouping Erroneously Awarded Compensation hereunder, which may include without limitation (a) seeking reimbursement of all or part of any cash or equity-based award, (b) cancelling prior cash or equity-based awards, whether vested or unvested or paid or unpaid, (c) cancelling or offsetting against any planned future cash or equity-based awards, (d) forfeiture of deferred compensation, subject to compliance with Section 409A of the Internal Revenue Code and the regulations promulgated thereunder and (e) any other method authorized by applicable law or contract. Subject to compliance with any applicable law, the Administrator may affect recovery under this Policy from any amount otherwise payable to the Covered Person, including amounts payable to such individual under any otherwise applicable Company plan or program, including base salary, bonuses, and compensation previously deferred by the Covered Person. The Administrator shall determine the repayment schedule for any Erroneously Awarded Compensation in a manner that complies with the "reasonably promptly" requirement set forth in Section 4 hereof. Such determination shall be consistent with any applicable legal guidance, by the SEC, judicial opinion or otherwise. The determination with respect to "reasonably promptly" recovery may vary from case to case and the Administrator is authorized to adopt additional rules to further describe what repayment schedules satisfies this requirement.

The Company is authorized and directed pursuant to the Policy to recoup Erroneously Awarded Compensation in compliance with this Policy unless the Nominating and Compensation Committee of the Board has determined that recovery would be impracticable solely for the following limited reason, and subject to the following procedural and disclosure requirements:

- The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Administrator must make a reasonable attempt to recover such erroneously awarded compensation, document such reasonable attempt(s) to recover and provide that documentation to the NYSE; or
- Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

7. Acknowledgement by Covered Persons; Condition to Eligibility for Incentive Compensation

Havertys will provide notice and seek acknowledgement of this Policy from each Covered Person, provided that the failure to provide such notice or obtain such acknowledgement will have no impact on the applicability or enforceability of this Policy. After the Effective Date, Havertys must be in receipt of a Covered Person's acknowledgement as a condition to such Covered Person's eligibility to receive Incentive Compensation.

The Administrator will provide a forum for Covered Persons and the Administrator or its designees to discuss any recoupment action being proposed. The Administrator will give the Covered Persons notice of the action to be taken and an opportunity to discuss the determination of the Erroneously Awarded Compensation and preferable methods of recovery.

8. No Indemnification of Covered Persons

Notwithstanding the terms of any indemnification or insurance policy or any contractual arrangement with any Covered Person that may be interpreted to the contrary, the Company shall not indemnify any Covered Person against the loss of any Erroneously Awarded Compensation, including any payment or reimbursement for the cost of third-party insurance purchased by any Covered Person to fund potential clawback obligations under this Policy.

9. Administrator Indemnification

Any members of the Administrator, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent under applicable law and Company policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board under applicable law or Company policy.

10. Effective Date; Retroactive Application

This Policy shall be effective as of October 2, 2023 (the Effective Date). The terms of this Policy shall apply to any Incentive-Based Compensation that is received by Covered Persons on or after the Effective Date, even if such Incentive-Based Compensation was approved, awarded, granted, payable or paid to the Covered Person prior to, on, or after the Effective Date.

11. Amendment; Termination

The Board may amend, modify, supplement, rescind or replace all or any portion of this Policy at any time and from time to time in its discretion, provided that any such amendment does not cause this Policy to violate applicable listing standards of the NYSE or Rule 10D-1 under the Exchange Act, and shall amend this Policy as it deems necessary to comply with applicable law or any rules or standards adopted by a national securities exchange on which the Company's securities are listed.

12. Other Recoupment Rights; Company Claims

The Board intends that this Policy shall be applied to the fullest extent of the law. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to Havertys under applicable law or pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to Havertys.

Nothing contained in this Policy, and no recoupment or recovery as contemplated by this Policy shall limit any claims, damages or other legal remedies Havertys or any of its affiliates may have against a Covered Person arising out of or resulting from any actions or omissions by the Covered Person.

13. Successors

This Policy shall be binding and enforceable against all Covered Persons and their beneficiaries, heirs, executors, administrators, or other legal representatives.

14. Governing Law

To the extent not preempted by U.S. federal law, this Policy will be governed by and construed in accordance with the laws of the State of Georgia, without reference to principles of conflict of laws.

15. Exhibit Filing Requirement

A copy of this policy and amendment shall be posted on the company's website and filed as an exhibit to the Company's annual report on Form 10-K.