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

# FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended March 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.

**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Maryland** | **58-0281900** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **780 Johnson Ferry Road, Suite 800<br>Atlanta, Georgia** | **30342** |
| (Address of principal executive offices) | (Zip Code) |

**(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 |

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 | ☐ | Accelerated filer | ☒ | Non-accelerated filer | ☐ |
| Smaller reporting company | ☐ | Emerging growth company | ☐ | | |

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The numbers of shares outstanding of the registrant's two classes of $1 par value common stock as of May 1, 2023, were: Common Stock – 14,981,347; Class A Common Stock – 1,283,260.

**HAVERTY FURNITURE COMPANIES, INC.**
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# PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## HAVERTY FURNITURE COMPANIES, INC.
## CONDENSED CONSOLIDATED BALANCE SHEETS
## (Unaudited)

| *(In thousands)* | March 31, 2023 | December 31, 2022 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | $ 120,170 | $ 123,126 |
| Restricted cash and cash equivalents | 6,876 | 6,804 |
| Inventories | 114,254 | 118,333 |
| Prepaid expenses | 11,430 | 9,707 |
| Other current assets | 19,590 | 18,283 |
| Total current assets | 272,320 | 276,253 |
| Property and equipment, net | 139,212 | 137,475 |
| Right-of-use lease assets | 207,673 | 207,390 |
| Deferred income taxes | 16,332 | 15,501 |
| Other assets | 12,878 | 12,430 |
| Total assets | $ 648,415 | $ 649,049 |
| **Liabilities and Stockholders' Equity** | | |
| Current liabilities | | |
| Accounts payable | $ 15,632 | $ 23,345 |
| Customer deposits | 46,382 | 47,969 |
| Accrued liabilities | 40,372 | 48,676 |
| Current lease liabilities | 36,180 | 34,442 |
| Total current liabilities | 138,566 | 154,432 |
| Noncurrent lease liabilities | 185,866 | 186,845 |
| Other liabilities | 27,571 | 18,373 |
| Total liabilities | 352,003 | 359,650 |
| | | |
| 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 – 30,122; 2022 – 30,006 | 30,122 | 30,006 |
| Convertible Class A Common Stock, Authorized – 15,000 shares; Issued: 2023 – 1,806; 2022 – 1,806 | 1,806 | 1,806 |
| Additional paid-in capital | 107,759 | 108,706 |
| Retained earnings | 406,237 | 398,393 |
| Accumulated other comprehensive loss | (756) | (756) |
| Less treasury stock at cost – Common Stock (2023 – 15,140 and 2022 – 15,140 shares) and Convertible Class A Common Stock (2023 and 2022 – 522 shares) | (248,756) | (248,756) |
| Total stockholders' equity | 296,412 | 289,399 |
| Total liabilities and stockholders' equity | $ 648,415 | $ 649,049 |

See notes to these condensed consolidated financial statements.

**HAVERTY FURNITURE COMPANIES, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(Unaudited)**

| *(In thousands, except per share data)* | Three Months Ended March 31, 2023 | 2022 |
|---|---|---|
| Net sales | $ 224,754 | $ 238,946 |
| Cost of goods sold | 91,969 | 97,985 |
| Gross profit | 132,785 | 140,961 |
| Expenses: | | |
| Selling, general and administrative | 118,361 | 115,154 |
| Other (income) expense, net | (4) | 161 |
| Total expenses | 118,357 | 115,315 |
| Income before interest and income taxes | 14,428 | 25,646 |
| Interest income, net | 1,010 | 74 |
| Income before income taxes | 15,438 | 25,720 |
| Income tax expense | 3,066 | 6,359 |
| Net income | $ 12,372 | $ 19,361 |
| Other comprehensive income | | |
| Adjustments related to retirement plans; net of tax expense of $14 in 2022 | $ — | $ 40 |
| Comprehensive income | $ 12,372 | $ 19,401 |
| Basic earnings per share: | | |
| Common Stock | $ 0.77 | $ 1.14 |
| Class A Common Stock | $ 0.72 | $ 1.08 |
| Diluted earnings per share: | | |
| Common Stock | $ 0.74 | $ 1.11 |
| Class A Common Stock | $ 0.71 | $ 1.05 |
| Cash dividends per share: | | |
| Common Stock | $ 0.28 | $ 0.25 |
| Class A Common Stock | $ 0.26 | $ 0.23 |

See notes to these condensed consolidated financial statements.

**HAVERTY FURNITURE COMPANIES, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Unaudited)**

| *(In thousands)* | Three Months Ended March 31, 2023 | Three Months Ended March 31, 2022 |
|---|---|---|
| Cash Flows from Operating Activities: | | |
| Net income | $ 12,372 | $ 19,361 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 4,362 | 4,272 |
| Share-based compensation expense | 1,957 | 2,307 |
| Other | (840) | (1,877) |
| Changes in operating assets and liabilities: | | |
| Inventories | 4,079 | (7,826) |
| Customer deposits | (1,587) | (369) |
| Other assets and liabilities | 5,721 | 1,120 |
| Accounts payable and accrued liabilities | (14,990) | 3,590 |
| Net cash provided by operating activities | 11,074 | 20,578 |
| | | |
| Cash Flows from Investing Activities: | | |
| Capital expenditures | (6,655) | (7,107) |
| Proceeds from sale of land, property and equipment | 13 | — |
| Net cash used in investing activities | (6,642) | (7,107) |
| | | |
| Cash Flows from Financing Activities: | | |
| Dividends paid | (4,528) | (4,260) |
| Common stock repurchased | — | (12,501) |
| Other | (2,788) | (517) |
| Net cash used in financing activities | (7,316) | (17,278) |
| | | |
| Decrease in cash, cash equivalents and restricted cash equivalents during the period | (2,884) | (3,807) |
| Cash, cash equivalents and restricted cash equivalents at beginning of period | 129,930 | 172,862 |
| Cash, cash equivalents and restricted cash equivalents at end of period | $ 127,046 | $ 169,055 |

See notes to these condensed consolidated financial statements.

**HAVERTY FURNITURE COMPANIES, INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

## NOTE A - Business and Basis of Presentation

Haverty Furniture Companies, Inc. (“Havertys,” “the Company,” “we,” “our,” or “us”) is a retailer of a broad line of residential furniture in the middle to upper-middle price ranges. We operate all of our stores using the Havertys brand and do not franchise our concept. We operate within a single reportable segment. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, therefore, do not include all information and footnotes required by United States of America generally accepted accounting principles (“U.S. GAAP”) for complete financial statements. The Company believes that the disclosures made are adequate to make the information not misleading. The financial statements include the accounts of the Company and its wholly owned subsidiary. All significant intercompany accounts and transactions have been eliminated in consolidation. We believe all adjustments, normal and recurring in nature, considered necessary for a fair presentation have been included. We suggest that these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying footnotes included in our latest Annual Report on Form 10-K.

The preparation of interim condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and reported amounts of revenue and expenses. Actual results could differ from those estimates.

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.

## NOTE B – Stockholders’ Equity

The following outlines the changes in each caption of stockholders’ equity for the current and comparative periods and the dividends per share for each class of shares.

For the three months ended March 31, 2023:

| *(in thousands)* | Common Stock | Class A Common Stock | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Treasury Stock | Total |
|---|---|---|---|---|---|---|---|
| Balances at December 31, 2022 | $ 30,006 | $ 1,806 | $ 108,706 | $ 398,393 | $ (756) | $ (248,756) | $ 289,399 |
| Net income | | | | 12,372 | | | 12,372 |
| Dividends declared: | | | | | | | |
| Common Stock, $0.28 per share | | | | (4,194) | | | (4,194) |
| Class A Common Stock, $0.26 per share | | | | (334) | | | (334) |
| Restricted stock issuances | 116 | | (2,904) | | | | (2,788) |
| Amortization of restricted stock | | | 1,957 | | | | 1,957 |
| Balances at March 31, 2023 | $ 30,122 | $ 1,806 | $ 107,759 | $ 406,237 | $ (756) | $ (248,756) | $ 296,412 |

For the three months ended March 31, 2022:

| *(in thousands)* | Common Stock | Class A Common Stock | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Treasury Stock | Total |
|---|---|---|---|---|---|---|---|
| Balances at December 31, 2021 | $ 29,907 | $ 1,809 | $ 102,572 | $ 342,983 | $ (2,293) | $ (219,008) | $ 255,970 |
| Net income | | | | 19,361 | | | 19,361 |
| Dividends declared: | | | | | | | |
| Common Stock, $0.25 per share | | | | (3,964) | | | (3,964) |
| Class A Common Stock, $0.23 per share | | | | (296) | | | (296) |
| Acquisition of treasury stock | | | | | | (12,501) | (12,501) |
| Restricted stock issuances | 17 | | (534) | | | | (517) |
| Amortization of restricted stock | | | 2,307 | | | | 2,307 |
| Other comprehensive income | | | | | 40 | | 40 |
| Balances at March 31, 2022 | $ 29,924 | $ 1,809 | $ 104,345 | $ 358,084 | $ (2,253) | $ (231,509) | $ 260,400 |

**NOTE C – Interim LIFO Calculations**

Inventories are measured using the last-in, first-out (LIFO) method of valuation using an annual LIFO index. Accordingly, interim LIFO calculations must necessarily be based on management's estimates of inventory levels and inflation rates. Since these estimates may be affected by factors beyond management's control, interim results are subject to change based upon the final year-end LIFO inventory valuations.

**NOTE D – Fair Value of Financial Instruments**

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

**NOTE E – Credit Agreement**

We have an $80.0 million revolving credit facility (the "Credit Agreement") secured primarily by our inventory and maturing on October 24, 2027. Availability fluctuates based on a borrowing base calculation reduced by outstanding letters of credit.

At March 31, 2023 and December 31, 2022, there were no outstanding borrowings under the Credit Agreement. The borrowing base was $125.7 million and net availability was $80.0 million at March 31, 2023.

## NOTE F – Revenues

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. We record customer deposits when payments are received in advance of the delivery of merchandise. Such deposits totaled $46.4 million and $48.0 million at March 31, 2023 and December 31, 2022, respectively. Of the customer deposit liabilities at December 31, 2022, approximately $3.1 million have not been recognized through net sales in the three months ended March 31, 2023.

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

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2023 | | 2022 | |
| *(In thousands)* | **Net Sales** | **% of Net Sales** | **Net Sales** | **% of Net Sales** |
| Merchandise: | | | | |
| Case Goods | | | | |
| Bedroom Furniture | $ 34,546 | 15.4 % | $ 31,348 | 13.1 % |
| Dining Room Furniture | 25,586 | 11.4 | 26,022 | 10.9 |
| Occasional | 19,210 | 8.5 | 16,818 | 7.0 |
| | 79,342 | 35.3 | 74,188 | 31.0 |
| Upholstery | 95,846 | 42.6 | 111,186 | 46.5 |
| Mattresses | 18,411 | 8.2 | 19,733 | 8.3 |
| Accessories and Other (1) | 31,155 | 13.9 | 33,839 | 14.2 |
| | $ 224,754 | 100.0 % | $ 238,946 | 100.0 % |

(1) Includes delivery charges and product protection.

## NOTE G – Leases

We have operating leases for retail stores, offices, warehouses, and certain equipment. Our leases have remaining lease terms of 1 year to 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.

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 portions 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 in the period incurred.

As of March 31, 2023, we had entered into two leases for additional retail locations which had not yet commenced.

Lease expense is charged to selling, general and administrative expenses. Components of lease expense were as follows (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Operating lease cost | $ 11,787 | $ 11,739 |
| Variable lease cost | 1,696 | 1,695 |
| Total lease expense | $ 13,483 | $ 13,434 |

Supplemental cash flow information related to leases is as follows (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows from operating leases | $ 11,311 | $ 9,629 |
| Right-of-use assets obtained in exchange for lease obligations: | | |
| Operating leases | $ 9,048 | $ 8,382 |

**NOTE H – Income Taxes**

Our effective tax rate for the three months ended March 31, 2023 and 2022 was 19.9% and 24.7%, respectively. The primary difference in the effective rate and the statutory rate was due to state income taxes and the impact from vested stock awards.

**NOTE I – Stock Based Compensation Plans**

As more fully discussed in Note 12 of the notes to the consolidated financial statements in our 2022 Annual Report on Form 10-K, we have awards outstanding for Common Stock under stock-based employee compensation plans.

The following table summarizes our award activity during the three months ended March 31, 2023:

| | 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, 2022 | 237,302 | $ 28.16 | 436,647 | $ 26.56 |
| Granted/Issued | 174,998 | 33.06 | 106,557 | 33.08 |
| Awards vested or rights exercised[(1)] | | | (188,980) | 20.42 |
| Forfeited | (6,836) | 29.32 | | |
| Additional units earned due to performance | | | 3,752 | 28.86 |
| Outstanding at March 31, 2023 | 405,464 | $ 30.26 | 357,976 | $ 31.76 |
| Restricted units expected to vest | 405,464 | $ 30.26 | 338,796 | $ 31.69 |

(1) Includes shares repurchased from employees for employee's tax liability.

The aggregate intrinsic value of outstanding service-based restricted stock awards was approximately $12.9 million at March 31, 2023. The restrictions on the service-based awards generally lapse or vest annually, primarily over one-year and three-year periods.

The total fair value of performance-based restricted stock awards that vested during the three months ended March 31, 2023 was approximately $7.1 million. The aggregate intrinsic value of outstanding performance awards at March 31, 2023 expected to vest was approximately $11.4 million. 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 charged to selling, general and administrative expenses over the respective grants' vesting periods, primarily on a straight-line basis. The amount charged was approximately $2.0 million and $2.3 million for the three months ended March 31, 2023 and 2022, respectively. Forfeitures are recognized as they occur. As of March 31, 2023, the total compensation cost related to unvested equity awards was approximately $12.7 million and is expected to be recognized over a weighted-average period of two years.

## NOTE J – 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 the contractual rights of the classes.

The Common Stock of the Company has a preferential dividend rate of at least 105% of the dividend paid on the Class A Common Stock. The 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 has ten votes per share as opposed to one vote per share for the Common Stock. Class A Common Stock may be converted at any time on a one-for-one basis into Common Stock at the option of the holder of the Class A Common Stock.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Numerator: | | |
| Common: | | |
| Distributed earnings | $ 4,195 | $ 3,964 |
| Undistributed earnings | 7,250 | 14,008 |
| Basic | 11,445 | 17,972 |
| Class A Common earnings | 927 | 1,389 |
| Diluted | $ 12,372 | $ 19,361 |
| | | |
| Class A Common: | | |
| Distributed earnings | $ 333 | $ 296 |
| Undistributed earnings | 594 | 1,093 |
| | $ 927 | $ 1,389 |
| Denominator: | | |
| Common: | | |
| Weighted average shares outstanding - basic | 14,907 | 15,706 |
| Assumed conversion of Class A Common Stock | 1,283 | 1,287 |
| Dilutive options, awards and common stock equivalents | 594 | 520 |
| Total weighted-average diluted Common Stock | 16,784 | 17,513 |
| | | |
| Class A Common: | | |
| Weighted average shares outstanding | 1,283 | 1,287 |
| | | |
| Basic earnings per share: | | |
| Common Stock | $ 0.77 | $ 1.14 |
| Class A Common Stock | $ 0.72 | $ 1.08 |
| | | |
| Diluted earnings per share: | | |
| Common Stock | $ 0.74 | $ 1.11 |
| Class A Common Stock | $ 0.71 | $ 1.05 |

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and accompanying notes contained herein and with the audited consolidated financial statements, accompanying notes, related information and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2022 ("Form 10-K").

### Forward-Looking Statements

Statements in this Form 10-Q that are not historical facts, including statements about our estimates, expectations, beliefs, intentions, projections or strategies for the future, may be "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from historical experience or our present expectations. Known material risk factors applicable to us that could cause our actual results to differ from these forward-looking statements are described in "Item 1A. Risk Factors" of our Form 10-K and in the subsequent reports we file with the SEC. All forward-looking statements speak only as of the date made, and we undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this report except as required by law.

### Net Sales

Our sales are generated by customer purchases of home furnishings. Revenue is recognized upon delivery 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 significantly. The method we use to compute comp-store sales may not be the same method used by other retailers. We record our sales when the merchandise is delivered to the customer. We also track "written sales" and "written comp-store sales," which represent customer orders prior to delivery. The disruptions to our supply chain have resulted in lower inventory in certain categories, and out-of-stock merchandise delivery times can be 8 to 12 weeks. 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 none are substitutes for net sales presented in accordance with US GAAP.

The following table outlines our sales and comp-store sales increases and decreases for the periods and from the prior year indicated:

| | 2023 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Net Sales | | | Comp-Store Sales | | Net Sales | | | Comp-Store Sales | |
| Period | Total Dollars | % Change | $ Change | % Change | $ Change | Total Dollars | % Change | $ Change | % Change | $ Change |
| Q1 | $ 224.8 | (5.9)% | $ (14.2) | (6.7)% | $ (16.0) | $ 238.9 | 1.0 % | $ 2.5 | 0.2 % | $ 0.4 |

Total sales for the first quarter of 2023 decreased $14.2 million, or 5.9%, compared to 2022. Our comp-store sales decreased 6.7%, or $16.0 million, in the first quarter of 2023 compared to 2022.

Impacting sales were continued inflationary pressures, stock market volatility, and rising interest rates, all of which had a negative affect on discretionary spending. Written business for the first quarter of 2023 was down 11.7% compared to 2022. Our written business for the first quarter of 2023 compared to the "normal" pre-pandemic first quarter of 2019 was up 10.9% and written comp-store sales were up 6.9%.

Our free in-home design service continues to grow, and designer sales were 26.0% of our total written business for the first quarter of 2023 compared to 23% for 2022. Average ticket increased 4.1% for the first quarter of 2023 compared to the first quarter of 2022 largely due to the increase in in-home design sales.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Gross Profit

Gross profit for the first quarter of 2023 was 59.1%, up 10 basis points compared to the prior year period of 59.0%. The increase is primarily due to pricing discipline and merchandise mix.

We expect annual gross profit margins for 2023 will be 58.5% to 59.0%. Gross profit margins fluctuate quarter to quarter in relation to our promotional cadence. Our estimated gross profit margins are based on anticipated changes in product and freight costs and their impact on our LIFO reserve.

Substantially all of our occupancy and home delivery costs are included in selling, general and administrative expenses ("SG&A"), as are a portion of our warehousing expenses. Accordingly, our gross profit may not be comparable to those entities that include these costs in cost of goods sold.

### Selling, General and Administrative Expenses

Our SG&A costs as a percent of sales for the first quarter of 2023 were 52.7% versus 48.2% for 2022. SG&A dollars increased $3.2 million, or 2.8%, for the first quarter of 2023 compared to the same prior year period. The change is driven by higher costs associated with selling expense of $1.4 million, higher occupancy costs of $2.0 million, increase in administrative expenses of $1.3 million, and a decrease in warehouse and delivery costs of $1.4 million.

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 and distribution expenses, as these amounts will generally move in tandem with our level of sales. The remaining categories and expenses for occupancy, advertising, and administrative costs are classified as fixed and discretionary because these costs do not fluctuate with sales.

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

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2023 | | 2022 | |
| *(In thousands)* | **$** | **% of Net Sales** | **$** | **% of Net Sales** |
| Variable | $ 44,867 | 20.0 % | $ 44,384 | 18.6 % |
| Fixed and discretionary | 73,494 | 32.7 % | 70,770 | 29.6 % |
| | $ 118,361 | 52.7 % | $ 115,154 | 48.2 % |

The variable expenses in dollars were higher in the first quarter of 2023 compared to 2022 primarily due to the increase in third-party credit costs partly offset by a reduction in warehouse temporary labor.

Fixed and discretionary expenses were impacted in the first quarter of 2023 primarily by increases in occupancy costs and administrative expenses compared to the prior year quarter.

Our variable expenses within SG&A for the full year of 2023 are anticipated to be 19.5% to 19.7%. Fixed and discretionary expenses are expected to be approximately $289.0 to $292.0 million for the full year of 2023, a decrease from our previous guidance based on changes in our marketing spend and warehouse and delivery costs.

### Liquidity and Capital Resources

#### *Cash and Cash Equivalents at End of Year*

At March 31, 2023, we had $120.2 million in cash and cash equivalents, and $6.9 million in 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. In addition, we believe we have the ability to obtain alternative sources of financing.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

***Long-Term Debt***
In October 2022, we entered into the Fourth Amendment to our Amended and Restated Credit Agreement (as amended, the "Credit Agreement") with a bank. The Credit Agreement, which matures October 24, 2027, provides for a $80.0 million revolving credit facility. The borrowing based at March 31, 2023 was $125.7 million and the net availability was $80.0 million.

***Leases***
We lease a portion of our real estate, including our stores, distribution centers, and store support space, pursuant to operating leases.

***Share Repurchases***
In August 2022, our board of directors authorized $25.0 million under a share repurchase program. No shares of common stock were purchased during the three months ended March 31, 2023. There is approximately $20.0 million at March 31, 2023 that may be purchased under the existing authorization.

The timing, manner and number of shares repurchased in future periods will depend on a variety of factors, including, but not limited to, the level of cash balances, credit availability, financial performance, general business conditions, the market price of the Company's stock and the availability of alternative investment opportunities.

**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 was $11.1 million in the first three months of 2023 compared to $20.6 million during the same period in 2022. This difference resulted primarily from changes in working capital and a decrease in net income. Working capital was impacted by a reduction in customer deposits as the backlog was reduced in 2023 and the timing of vendor payments, compared against higher inventories in 2022 due to the receipt of delayed product and merchandise and freight cost inflation.

*Investing Activities.* Cash used in investing activities decreased by $0.5 million in the first three months of 2023 compared to the first three months of 2022, due to lower capital expenditure spend.

*Financing Activities.* Cash used in financing activities of decreased by $10.0 million in the first three months of 2023 compared to the first three months of 2022, primarily due to $12.5 million of share repurchases in 2022 and none in 2023.

**Store Plans and Capital Expenditures**

| Location | Opening Quarter Actual or Planned | Category |
|---|---|---|
| Durham, NC | Q-1-23 | Open |
| Atlanta, GA | Q-3-23 | Closure - Outlet |
| Charlotte, NC | Q-3-23 | Open |
| Dayton, OH | Q-4-23 | Open |
| Richmond, VA | Q-4-23 | Open - Outlet |

Assuming the new stores open and existing stores close as planned, the above activity and other changes should increase net selling space in 2023 approximately 1.6% over net selling space in 2022. We entered into a purchase agreement March 31, 2023 to acquire our Lakeland, Florida distribution facility for approximately $28.2 million. We previously owned the facility prior to selling it to the landlord in May 2020 in a sale leaseback transaction. We expect this property acquisition to close in the second quarter of 2023.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Total capital expenditures are estimated to be $53.1 million (inclusive of the $28.2 million for the property acquisition described above) in 2023 depending on the timing of spending for these projects.

### Critical Accounting Estimates

Critical accounting estimates are those that we believe are both significant and that require us to make difficult, subjective or complex judgments, often because we need to estimate the effect of inherently uncertain matters. We base our estimates and judgments on historical experiences and various other factors that we believe to be appropriate under the circumstances. Actual results may differ from these estimates, and we might obtain different estimates if we used different assumptions or conditions. We reviewed our accounting estimates, and none were deemed to be considered critical for the accounting periods presented in our Form 10-K. We had no significant changes in those accounting estimates since our last annual report.

## Item 3. Quantitative and Qualitative Disclosures about Market Risk

For quantitative and qualitative disclosures about market risk, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," of our Form 10-K. Our exposure to market risk has not changed materially since December 31, 2022.

## Item 4. Controls and Procedures

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of our management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, our management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report and provide reasonable assurance that information required to be disclosed in the reports the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including the CEO and CFO, as appropriate, to allow timely decisions regarding disclosure.

There have been no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rule 13a-15 that occurred during the Company's fiscal quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. We have reviewed our financial reporting process to provide reasonable assurance that we could report our financial results accurately and timely, and we will continue to evaluate the impact of any related changes to our internal control over financial reporting.

# PART II. OTHER INFORMATION

## Item 1. Legal Proceedings

Information regarding legal proceedings is described under the subheading “Business and Basis of Presentation” in Note A of the Notes to the Condensed Consolidated Financial Statements set forth in this Form 10-Q.

## Item 1A. Risk Factors

"Item 1A. Risk Factors” in our Form 10-K includes a discussion of our known material risk factors. There have been no material changes from the risk factors described in our Form 10-K.

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

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. A program was initially approved by the board on November 3, 1986. On August 5, 2022, the board authorized additional amounts under such stock repurchase program. The stock repurchase program has no expiration date but may be terminated by our board at any time. No shares of common stock were purchased during the three months ended March 31, 2023. There is approximately $20.0 million at March 31, 2023 that may be purchased under the existing authorization.

## Item 6. Exhibits

(a) Exhibits

The exhibits listed below are filed with or incorporated by reference into this report (those filed with this report are denoted by an asterisk). Unless otherwise indicated, the exhibit number of documents incorporated by reference corresponds to the exhibit number in the referenced documents.

| Exhibit Number | Description of Exhibit (Commission File No. 1-14445) |
|---|---|
| 3.1 | Articles of Amendment and Restatement of the Charter of Haverty Furniture Companies, Inc. effective May 26, 2006 (Exhibit 3.1 to our Second Quarter 2006 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). |
| 10.1 | Purchase Agreement, dated as of March 31, 2023, by and between HF Lakeland FL Landlord, LLC and Haverty Furniture Companies, Inc. (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated April 5, 2023). |
| *^10.2 | Second Amendment to the Amended and Restated Retailer Program Agreement between Haverty Furniture Companies, Inc. and Synchrony Bank (formerly GE Capital Retail Bank). |
| *31.1 | Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended. |
| *31.2 | Certification of Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended. |
| **32.1 | Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350. |
| 101 | The following financial statements from Haverty Furniture Companies, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, formatted in inline XBRL, include: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Comprehensive Income, (iii) Condensed Consolidated Statements of Cash Flows and (iv) the Notes to Condensed Consolidated Financial Statements. |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101). |

* Filed herewith.

** Furnished herewith.

^ Portions of this exhibit identified by brackets [***] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both (i) not material and (ii) the type Havertys treats as private or confidential.

## SIGNATURES

Pursuant to the requirements 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.

**HAVERTY FURNITURE COMPANIES, INC.**
(Registrant)

Date: May 5, 2023

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

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

INFORMATION IN THIS EXHIBIT IDENTIFIED BY [***] IS CONFIDENTIAL AND HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(iv) OF REGULATION S-K BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED

**EXHIBIT 10.2**

**SECOND AMENDMENT TO AMENDED AND RESTATED RETAILER PROGRAM AGREEMENT**
*(Haverty Furniture Companies)*

THIS SECOND AMENDMENT TO AMENDED AND RESTATED RETAILER PROGRAM AGREEMENT (this "Amendment" or "Second Amendment") is entered into as of March 31, 2023, and effective as of February 1, 2023, by and between Synchrony Bank ("Bank"), and Haverty Furniture Companies, Inc. ("Retailer"). Capitalized terms used herein and not otherwise defined have the meanings given them in the Agreement.

WHEREAS, Bank and Retailer are parties to that certain Amended and Restated Retailer Program Agreement made as of November 5, 2013, as amended by the First Amendment to Amended and Restated Retailer Program Agreement entered into as of June 27, 2018 (the "Agreement").

WHEREAS, Bank and Retailer desire to amend the Agreement to extend the Term of the Agreement and to address certain other issues set forth below, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and subject to the terms and conditions hereinafter set forth, the parties hereby agree as follows:

## I. AMENDMENTS TO THE AGREEMENT

**1.1 Amendment to Section 6(e).** Section 6(e) is deleted in its entirety and replaced with the following:

"(e) Without limiting Bank's right to adjust Retailer Fee Percentages (as defined in Section 6(h)) as set forth in Section 6(f), [***], and as of the end of each calendar quarter thereafter, Bank may adjust the Retailer Fee Percentage for each credit-based promotion then offered to Cardholders by Bank based on movements in the Cost of Funds Index. As of the end of each calendar quarter, the Retailer Fee Percentages set forth on Schedule 6(a) shall be adjusted as follows: (x) any prior adjustment to such Retailer Fee Percentages pursuant to this Section 6(e) shall be eliminated, and (y) with respect to each such Retailer Fee Percentage, Bank shall adjust (either up or down) such Retailer Fee Percentage by:

(i) in the case of a Retailer Fee Percentage applicable to a "with pay" credit based promotion of less than twelve (12) months in duration, [***];

(ii) in the case of a Retailer Fee Percentage applicable to a "with pay" credit based promotion of twelve (12) months or more in duration, [***];

(iii) in the case of a Retailer Fee Percentage applicable to an "equal pay" credit based promotion of less than thirty-six (36) months in duration, [***]

(iv) in the case of a Retailer Fee Percentage applicable to an "equal pay" credit based promotion of thirty-six (36) months or more in duration, [***]

(v) in the case of a Retailer Fee Percentage applicable to a "fixed pay" credit based promotion, [***].

An examples of the calculation for the 12-month, "with pay" credit based promotion is set forth on Schedule 6(e).

Each adjustment to the Retailer Fee Percentages pursuant to this Section 6(e) shall be applied prospectively only. For purposes of effecting the above calculation, Bank shall establish the Cost of Funds Index for any quarter (the "COF Quarter") as of the last business day of the calendar quarter immediately preceding the COF Quarter and shall apply the revised Retailer Fee Percentages resulting from such calculation as of the first day of the second month in the COF Quarter. If the cost of funds adjustment calculation set forth in this Section 6(e) results in a Retailer Fee Percentage that is less than zero, such Retailer Fee Percentage shall, irrespective of such calculation, be deemed to equal zero and Bank shall have no obligation to rebate any amounts to Retailer in connection with the applicable credit-based promotion related to such Retailer Fee Percentage. For the avoidance of doubt, (i) the adjustment (either up or down) to any Retailer Fee Percentage pursuant to this Section 6(e) will be in addition to any other prior adjustments (either up or down) made to any Retailer Fee Percentage pursuant to any provision of Section 6, other than any price adjustments made pursuant to this Section 6(e), and (ii) no adjustment pursuant to this Section shall eliminate any prior adjustments (either up or down) made to any Retailer Fee Percentage pursuant to any provision of Section 6, other than any price adjustments made pursuant to this Section 6(e). [***].

If at any time the [***], Retailer shall have the right to notify Bank that Retailer wishes to [***]."

**1.2 Amendment to Section 6(g)**. Section 6(g) is deleted in its entirety and marked as "Intentionally Omitted."

**1.3 Amendment to Section 6(h).** Section 6(h) is deleted in its entirety and replaced with the following:

(d) For the purposes of this Agreement, the following terms have the following meanings: "Base Cost of Funds Index" means [***]; "Net Program Sales" means, for any given period, the aggregate amount of sales to Cardholders resulting in charges to Account during such period less aggregate credits to Accounts during such period, in each case reflected in Charge Transaction Data; "Retailer Fee" means (A) in the case of the fee applicable to each purchase pursuant to a credit-based promotion, the product of (i) the applicable promotional Retailer Fee Percentage, multiplied by (ii) the amount of the charge subject to the promotion; and (B) in the case of the fee applicable to each purchase not subject to a credit-based promotion, the product of (i) the applicable non-promotional Retailer Fee Percentage, multiplied by (ii) the amount of all such charges, less the amount of all credits pertaining to non-promotional charges. "Retailer Fee Percentage" means the percentage set by Bank used in calculating the Retailer Fee payable in connection with each submission by Retailer to Bank of Charge Transaction Data pertaining to a promotional or non-promotional purchase. "Cost of Funds Index" means, for any date, the rate for U.S. Treasury Securities at 1-Year Constant Maturity ("1-Year Treasuries") that is in effect as of the date, as published by the Board of Governors of the Federal Reserve System (US) at: https://www.federalreserve.gov/releases/h15/ (or if the Board of Governors of the Federal Reserve System (US) ceases to publish the rates on its website in a reliable manner, at another website or publication as Bank may reasonably designate). [***].

**1.4 Addition of New Section 6(j).** Section 6(j) is deleted in its entirety and replaced with the following:

"(j) Marketing Fund. [***], Bank will allocate to a fund held on the books of Bank (the "Marketing Fund") at the beginning of each calendar year, an amount equal to [***]. For clarity, for calendar year 2023 the total amount allocated to the Marketing Fund [***]. The Marketing Fund will be used to pay for mutually agreed upon, out of pocket, marketing expenses. Except for the right to require Bank to make payments from such fund, Retailer will have no right, title or interest in or to the Marketing Fund or in or to any amounts which have been allocated thereto. Bank will reimburse Retailer for mutually agreed upon, out of pocket, marketing expenses from the Marketing Fund within 30 days after Retailer submits an invoice to Bank that meets Bank's reasonable requirements. Any amounts previously allocated to the Marketing Fund but not used by Bank as of the earlier of [***]."

**1.5 Addition of New Section 6(l).** The following new Section 6(l) is hereby added to the Agreement:

"(l) Extension Incentive. As an incentive for Retailer to enter into the Second Amendment, Bank will pay to Retailer, the amount of [***] within 30 days after each party executes the Second Amendment (the "Second Amendment Extension Incentive")."

**1.6 Amendment to Section 17(a).** Section 17(a) is hereby deleted and replaced with the following:
"(a) This Agreement will continue from the Effective Date hereof through February 28, 2031, and may be extended by the mutual written agreement of the parties (such period, and any extensions thereof, the "Term")."

**1.7 Amendment to Section 17(b)(vii).** Section 17(b)(vii) is hereby amended by updating the [***]."

**1.8 Amendment to Section 17(c).** Section 17(c) is hereby amended by adding the following to the end of the Section:
"Retailer will pay Bank an amount equal to [***]."

**1.9 Amendment to Section 21(f).** Bank's notice address in Section 21(f) is hereby deleted and replaced with the following: Attention General Counsel, Synchrony Bank, 777 Long Ridge Road, Stanford, CT 06901.

**1.10 Amendment to Schedule 6(a).** Schedule 6(a) to the Agreement is hereby deleted in its entirety and replaced with the revised Schedule 6(a) attached hereto as Attachment I.

**1.11 Amendment to Schedule 6(e).** Schedule 6(e) to the Agreement is hereby deleted in its entirety and replaced with the revised Schedule 6(e) attached hereto as Attachment II.

## II. GENERAL

**2.1 Authority for Amendment.** Retailer represents and warrants to Bank that the execution, delivery and performance of this Amendment has been duly authorized by all requisite corporate action on the part of Retailer and upon execution by all parties, will constitute a legal, binding obligation of Retailer.

**2.2 Effect of Amendment.** Except as specifically amended hereby, the Agreement, and all terms contained therein, remains in full force and effect. The Agreement, as amended by this Amendment, constitutes the entire understanding of the parties with respect to the subject matter hereof.

**2.3 Binding Effect; Severability.** Each reference herein to a party hereto will be deemed to include its successors and assigns, all of whom will be bound by this Amendment and in whose favor the provisions of this Amendment will inure. In case any one or more of the provisions contained in this Amendment will be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

**2.4 Further Assurances.** The parties hereto agree to execute such other documents and instruments and to do such other and further things as may be necessary or desirable for the execution and implementation of this Amendment and the consummation of the transactions contemplated hereby and thereby.

**2.5 Governing Law.** This Amendment will be governed by and construed in accordance with the laws of the State of Utah, without regard to principles of conflicts of laws.

**2.6 Counterparts.** This Amendment may be executed in counterparts, each of which will constitute an original, but all of which, when taken together, will constitute but one agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers, all as of the day and year first above written.

| | |
|---|---|
| SYNCHRONY BANK | HAVERTY FURNITURE COMPANIES, INC. |
| By: /s/ Anthony S. Foster | By: /s/ Richard B. Hare |
| Name: Anthony S. Foster | Name: Richard Hare |
| Its: Senior Vice President | Its: Executive VP & CFO |

Attachment I

**Schedule 6(a)**
**To Retailer Program Agreement**
***(Haverty Furniture Companies)***

**Approved Credit-Based Promotions**

**A. Non-Promotional Credit Offer:**

Retailer Fee Percentage: [***]%

**B. Credit-Based Promotions:**

Standard Retailer Fee Percentages at [***]

| Promotional Term | Retailer Fee Percentage | |
|---|---|---|
| | With Pay/Deferred Interest | Equal Pay/No Interest |
| 6 Month | [***] | [***] |
| 12 Month | [***] | [***] |
| 18 Month | [***] | [***] |
| 24 Month | [***] | [***] |
| 36 Month | [***] | [***] |
| 48 Month | [***] | [***] |
| 60 Month | [***] | [***] |

The Retailer Fee Percentages set forth above are subject to revision as set forth in in Section 6(e) and 6(f).

Attachment II

**Schedule 6(e)**
**To Retailer Program Agreement**
***(Haverty Furniture Companies)***

Hypothetical: 12 Month With Pay Deferred Interest Promotion

| | Cost of Funds Index | Promotional Rate |
|---|---|---|
| February 1, 2023 (Cost of Funds Index) | [***] | [***] |
| As of December 31, 2024 | [***] | [***] |
| As of December 31, 2025 | [***] | [***] |

**Exhibit 31.1**

I, Clarence H. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 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: May 5, 2023

/s/ Clarence H. Smith

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

**Exhibit 31.2**

I, Richard B. Hare, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 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: May 5, 2023

/s/ Richard B. Hare

Richard B. Hare
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

**Exhibit 32.1**

**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 Quarterly Report of Haverty Furniture Companies, Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2023 (the “Report”), I, Clarence H. Smith, Chairman of the Board 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: May 5, 2023

/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 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.