



the ethan allen difference

personal service combined with technology

- We provide exceptional service in our Design Centers, at client homes, and via virtual appointment, supported by robust 3D applications for today's more tech-savvy client.
- Our fully integrated e-commerce and brick-and-mortar experience boosts online sales while enabling a more powerful experience in our Design Centers.
- Our reimagined Design Centers showcase a design studio concept, which increases focus on our core strengths (e.g., interior design service and customization) within a smaller footprint.
- The professionalism of our entrepreneurial interior design team—many drawn from top schools, many with experience owning their own design firms—differentiates us from the typical retail furniture store.
- Technology investments have the added benefit of ensuring business continuity, as demonstrated during the COVID-19 pandemic.

breadth of styles & customization

- We make 75% of our products in our own North American workshops; 70% of our products are custom made.
- Offering a broad catalog of styles and made-to-order pieces minimizes inventory costs, ensuring availability of well-loved offerings for our core client base while enabling us to refresh our styles for a new generation.
- Having most furnishings made to order, each piece meeting our exacting quality standards, reinforces our core perception as a luxury home furnishings brand.
- Our three core projections (Classic, Country & Coastal, and Modern) enable maximum flexibility; when one style can take on many personalities, every offering has a longer lifecycle.

vertically integrated business structure

- Making about 75% of products in our own North American workshops gives us added resilience against supply chain disruption.
- Vertical integration empowers us to manage the Ethan Allen brand experience at all points, from product design to delivery.
- We achieve exceptional quality control through processes such as milling and kiln-drying our own wood, and hand-tailoring upholstery in fabrics that meet or exceed the most rigorous industry standards.
- North American manufacturing leverages regional home furnishings expertise and enables increased local sourcing of certain renewable materials.

forward-thinking values: social responsibility & sustainability

- Our commitment to treating all associates with dignity and respect, everywhere we operate, increases our ability to attract and retain top talent.
- We are committed to elevating the talents of women in leadership: 76% of the management-level associates in our retail segment are women.
- Our Manufacturing Code of Conduct and utilization of third-party auditors promote supply chain integrity, enhanced product safety, and fair working conditions for all vendors.
- Reduced water, electricity, and landfill usage, along with use of renewable materials like biomass recycled from wood furniture production, continues to significantly reduce our carbon footprint as we move toward our goal of net zero emissions by 2050.



global operations

KEY	
	Manufacturing Plants
	Distribution Centers
	Home Delivery Centers
	Design Centers



Ethan Allen Design Centers are typically located in busy retail settings as freestanding destinations or as part of town centers, lifestyle centers, and suburban shopping malls, and average 14,700 square feet in size.

Ethan Allen operates nine manufacturing facilities located in the United States, Mexico, and Honduras. These facilities are owned by the Company and include five case goods plants and four upholstery plants. Approximately 75% of our products are manufactured or assembled in these North American facilities.

The Company also owns and operates three national distribution and fulfillment centers, which are located in North Carolina and Virginia.

302 DESIGN CENTERS
161 INDEPENDENTLY OWNED
141 COMPANY OPERATED

NEW OR RELOCATED DESIGN CENTERS:
10% IN THE PAST 3 YEARS
16% IN THE PAST 5 YEARS
50% IN THE PAST 10 YEARS



personal service combined with technology

Ethan Allen has evolved into one of the world's leading interior design destinations, and our Design Centers have transformed in step with this evolution, transitioning from furniture showrooms into open, creative design studios oriented around the experience of complimentary design service.

Through a business model that encourages entrepreneurship and a sense of ownership over one's own business, we attract and retain top interior designers who build long-term client relationships. Our extensive array of custom offerings, from our full selection of home furnishings and accents to custom window treatments and textiles, attracts many designers who've owned their own firms but, in lieu of pulling together orders from multiple vendors, prefer to work from a single catalog supported by vertically integrated manufacturing and logistics.

integration with e-commerce

Today's client has more furniture options than ever before, and being able to provide fast answers to furniture and design questions at every touchpoint is a key competitive differentiator. Investments in our mobile-first e-commerce experience strengthened business continuity and boosted financial results during the COVID-19 pandemic.

Improvements made at the onset of the pandemic, like the expansion of Live Chat to all U.S. and Canada clients, and online appointment booking capability, continue to give clients access to interior design expertise beyond the constraints of Design Center hours. To boost conversions on our product display pages, we have deployed a fabric viewer that enables clients to preview fabrics on both indoor and outdoor upholstery before ordering, and we are continuing to develop more digital tools to enhance our user experience.

designing in 3d

3D applications like our 3D Room Planner proved pivotal to business continuity during the COVID-19 pandemic. Our designers continued to conduct virtual design sessions, even when Design Centers were in lockdown and local regulations prevented at-home appointments, by sharing 2D room plans, high-resolution 3D room images, and links to 360° tours of new designs.

To serve clients who prefer a more autonomous online shopping experience, we recently deployed a client-facing version of our designers' 3D Room Planner on ethanallen.com. This lighter tool enables clients to design a space personalized to their own room's dimensions and architectural features. Clients can then shop their self-created designs or share them with an Ethan Allen designer for continued collaboration.



digital-first marketing

Recognizing that our clients increasingly spend time in digital spaces, we have transitioned to a digital-first marketing strategy supported by a smaller, more agile marketing team. Digital channels are now our primary way of communicating with clients, with print and broadcast media playing a supporting role, enabling us to create more marketing interactions with our clients at a lower cost.

In fiscal 2021, we deployed a digital magazine initiative designed to reach both existing clients and prospects. Published bi-monthly and promoted via national email and dedicated prospect emails, these magazines have enabled us to deploy fewer direct mail pieces while increasing revenue and gaining new clients.

Continuous optimization of our website, including both the ongoing optimization of existing product pages and the creation of new search-optimized landing pages and content designed to extend time on site, resulted in increased traffic and revenue. We also saw significant increases in email marketing revenue, both from national emails and through new automated email buyer journeys. We have increased our production of video content, which we make available on ethanallen.com and share through our emails and organic social channels.

breadth of styles & customization

We manufacture about 75% of our products in our own North American workshops; of those products, about 70% are custom-made for our clients. Centering our business around a made-to-order model minimizes inventory while enabling us to maintain an extensive catalog of products and customizations that can be created on demand. Through customization, we project ourselves as a luxury brand offering truly handcrafted furnishings while reinforcing the value of our complimentary interior design service.

Market conditions in fiscal 2021, due to the COVID-19 pandemic, made premiering large new product lines a challenge, so we chose instead to deepen our customization offerings by, among other things, expanding our fabric selection. We also revamped our accent categories to include an evergreen selection of core essentials, enabling us to bring in a revolving cast of statement pieces.

3 strategic merchandising projections

Through our Classic (40% of offerings), Country & Coastal (40%), and Modern (20%) projections, we offer three distinct and aspirational lifestyles to our clients while maintaining maximum flexibility in how we position our offerings. Customization makes it possible to fit one furniture style into multiple projections, ensuring the ongoing relevance of popular frames while giving us the opportunity to present those frames in new contexts to a younger client base.

To strengthen our Country & Coastal offerings, we debuted a modern-farmhouse-inspired selection of upholstery, case goods, and accents that introduced industrial elements while maintaining the look of bench-made furniture. Building on the success of our Craft & Custom launch, we also added custom bedroom styles to our existing custom dining table and buffet options.



2021 style book

In fiscal 2021, we debuted a completely refreshed Style Book that showcased our three projections while also highlighting growing business segments, such as home office, and key accent categories. Wrapped in an embossed cover with stunning gold lettering, the book is a coffee-table keepsake in the tradition of the Ethan Allen Treasury but designed to share the Ethan Allen story with a new generation of clients.





Beecher Falls, VT



Orleans, VT



Maiden, NC



Silao, Mexico



Choloma, Honduras

Our commitment to manufacturing most of our own products has proven both a strategic and a branding advantage, particularly during fiscal 2021. Even with supply chain challenges, primarily related to lumber and foam, we maintained favorable lead times in comparison to many of our competitors.

Each year, our vertically integrated structure helps us better manage margins and minimize shipping costs while owning the Ethan Allen experience from product design to delivery. We also manage specific processes that reinforce our value proposition for quality; for example, we mill much of our own wood, inspect any lumber that we purchase, and kiln-dry all wood to ensure correct moisture content, so that furniture doesn't split or crack.

We also tailor all upholstery by hand; for fabric upholstery, we use fabrics that we've tested against the most rigorous industry standards. In our workshops, our leather artisans utilize entire hides, cutting and color-blending them by hand.

our workshops

Beecher Falls, VT

- 336,000 sq. ft. of manufacturing capacity
- Sawmill, kiln drying, wood panel processing, machining, and some assembly operations
- Receives 2,000 logs per week, or approximately 150,000 board feet of lumber
- Maintains inventory of approximately 1 million board feet of log inventory and 2 million board feet of processed lumber

Orleans, VT

- 666,000 sq. ft. of manufacturing capacity
- Rough mill, machining and sanding, cabinet, finishing, and rub and pack operations
- Recent investments: C&C workstations (cutting, shaping, drilling, and sanding), C&C lathes that transform large blocks of wood into decorative furniture components like feet, legs, and pedestals

Maiden, NC

- 680,000 sq. ft. of manufacturing capacity, including a recent 80,000-square-foot expansion that houses a C&C router team, frame assembly, and approximately 250 upholstery associates
- Recent investments: online specifications that assist associates at any point of production; product tracing; clean room for quality assurance; ergonomic workstations; relays to create advanced, labor-reducing layouts

Silao, Guanajuato, Mexico

- 571,000 sq. ft. of manufacturing capacity
- Utilizes state-of-the-art fabric and leather cutting machines, plus C&C routers that cut engineered wood frames

Choloma, Cortes, Honduras

- 241,000 sq. ft. of manufacturing capacity
- Recent investments: added second shift to support the production of additional SKUs; installed advanced dust collection system to improve air quality

vertically integrated business structure

our distribution centers

In fiscal 2021, our distribution centers shipped to approximately 50 North American service centers as well as to all international retailers.

Dublin, VA

- 631,000 sq. ft. of warehouse and parts fulfillment capacity
- Ethan Allen's primary furniture and accents distribution facility; receives 500,000 pieces of furniture and accessories every year

Pine Valley, NC

- 490,000 sq. ft. of warehouse capacity
- Domestic distribution, plus all exports for U.S. State Department program
- Hard accents, soft goods, area rugs, outdoor furniture and accents

Maiden, NC

- 54,000 sq. ft. of warehouse capacity
- Hard accents, hanging fabric samples, swatch fulfillment



Dublin, VA



Pine Valley, NC

the on-time project task force

Consisting of members from Client Services, Distribution, Manufacturing, Merchandising, and IT, this cross-functional task force works to reduce delivery delays and rescheduling, provide accurate promise dates, and ship replacement parts quickly. During fiscal 2021, worldwide supply chain challenges made the management of lead times more important than ever before, and their work has reduced our service requisitions significantly while increasing client satisfaction.

forward-thinking values: social responsibility & sustainability

We employ 4,188 associates, an increase from 3,369 a year ago, reflective of an increase in production at our manufacturing facilities combined with heightened retail demand. In managing our business, we focus on a number of key human capital objectives, which include culture and values, community giving, and diversity in the workplace.

culture & values

We aim to build a collaborative culture that emphasizes treating people with dignity and respect while offering associates a variety of opportunities and experiences. The standards with which we treat our associates are consistently applied and followed throughout our global organization, which has led to many of our locations receiving awards, such as Great Place to Work® Mexico certification.

community giving

Our mission is to enhance the quality of life in the communities in which we work and live; throughout our history, philanthropy has been a core value to Ethan Allen. We strive to develop exceptional programs based on partnerships in which employees feel both a sense of connection to and pride in their communities.

In response to the COVID-19 pandemic, for instance, Ethan Allen helped produce more than 200,000 units of personal protective equipment. Our skilled craftspeople also turned antimicrobial fabrics into washable medical-grade masks as well as crafting disposable fabric gowns.



diversity in the workplace

At Ethan Allen, we work every day to capitalize on the talents of our diverse workforce through recognition and promotion to leadership positions. Furthermore, as a U.S. government contractor, we follow federal Equal Opportunity Employment standards, ensuring freedom from discrimination on the basis of protected classes.

We continue to develop impactful practices to make our company more diverse and inclusive, including supporting diversity awareness across our organization; maintaining an inclusive environment free from discrimination of any kind, including sexual or other discriminatory harassment; and continuing to offer our associates multiple avenues through which to report inappropriate behavior, including our confidential whistleblower hotline.



our proud American brand

In May 2021, CEO Farooq Kathwari published a full-page letter in *The New York Times*, laying out Ethan Allen's commitment to both North American manufacturing and to uniform labor standards for all our associates. The letter was subsequently published in the *Wall Street Journal* and locally in the *Hartford Courant*.

sustainable manufacturing & operations

We are pleased with what we've accomplished in the first 10 years of our sustainability initiatives, including significant decreases in our carbon footprint, electrical usage, water usage, and landfill waste. We are currently setting goals for 2030, and we are working to operate with net zero emissions by 2050.

More than half of the logs that we use in our Vermont workshops come from Vermont forests; the rest are sourced regionally and around the U.S. We make it a priority to use wood from responsibly managed forests, and we have begun to source products crafted from reclaimed wood.

We use finishes that are low in volatile organic compounds (low-VOC) and in hazardous air pollutants (low-HAP), including many water-based finishes on our upholstered furniture. The flexible polyurethane foams used in our upholstery are certified through the CertiPUR-US® program. Of the materials we use in our fiber wraps, at least 80% are recycled; of the metals used in our springs, 50% are recycled.

We source wood as close to our workshops as possible; about half comes from the Northeast near our Vermont workshops, with most of the rest coming from the southeastern U.S. nearer to our lumber inspection center in North Carolina. In our Vermont workshops, we use recycled biomass—chips and sawdust leftover from making furniture—to cogenerate electricity for our wood-drying kilns. For the rest, we prioritize power from renewable energy sources.

When we transport our products, we rely on fuel-efficient technology as much as possible, and we route vehicles carefully to minimize the number of miles they drive. We include information about these efforts regularly in our marketing, making it clear that to invest in Ethan Allen furniture is to support a business that's committed to the fight against climate change.

